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ESTABLISHED 1887

Arafat Pleads With Skeptics In Fatah to Accept Pact

PLO Leader Predicts Unstoppable Momentum From Limited Self-Rule

By William Drozdiak

Washington Past Service
TUNIS — The Palestine Liberation Organization chairman, Yasser Arafat, sought to persuade skeptics within the ranks of his mainstream Fatah faction on Friday to back the Gaza-Jericho plan as the only plausible option left for Palestinians to gain some control over their ancestral lands.

As a crucial meeting of El Fatah's 18-man Executive Committee moved into its second day, senior advisers to Mr. Arafat said he was a string the debate in stark terms of those will-

Shimon Peres, in France, says "complete peace" is "very near." Page 5.

ing to support a gamble in favor of peace and those who are resolutely opposed to any form of compromise with Israel. At least 4 of the 12 Fatah guerrilla chiefs

meeting with Mr. Arafat oppose or have voiced doubts about his peace deal with Israel, Reuters reported, quoting Palestinian sources.

[Yasser Abed Rabbo, an Arafat ally on the PLO Executive Committee, said El Fatah was

expected to make a decision late Friday eve ning.]
Opponents of the self-rule plan, led by Abbas
Zaki, a committee member, are furious that Mr.
Arafat, during eight months of secret negotiations, accepted a pact that they believe abandons the dream of an independent Palestinian state. They also claim it ignores the status of Jerusalem and the fate of Israeli settlements.

But Mr. Arafat is said to be insisting that limited self-rule in Gaza and Jericho, in which Palestinians would take charge of health care, education, law enforcement and other aspects of daily life after Israeli military forces withdraw, would gradually acquire unstoppable momentum across the occupied territories. Palestinian sources said that Mr. Arafat had

authorized a huge shift of funds in recent weeks - reportedly as high as \$1 billion - of El Fatah's dwindling financial reserves into Egyptian banks to prepare for the heavy infrastruc-ture costs that will be required in Gaza and

Jericho once the accord takes effect.
Even so, PLO officials said that \$3 billion would be necessary to make the plan a success, and that they were counting on important con-tributions from the United States, Japan and the European Community to underwrite Pales-timan administration of Gaza and Jericho.

"We have to make a positive impact early," a PLO official said, "so that those opposed to the peace process, especially the Islamic fundamentalists, do not have an opportunity to wreck the prospects for successful self-rule.

Despite the hostile reaction among some members, Mr. Arafat and his supporters were confident that he would win a majority of votes T the plan, as well as a statement that recog-nizes the Jewish state and renounces violence in words acceptable to the Israeli government. Bassam Abu Sharif, one of Mr. Arafat's lead-See PLO. Page 5



NEW WAYS? - Finance Minister Theo Waigel, left, Economics Minister Günther Rexrodt and Chancellor Helmut Kohl recommending basic changes in German life. Page 9.

French Elite Wonder if Strong Franc Is Worth It

By Tom Redburn ational Herald Tribum

PARIS — Support for Prime Minister Edouard Balladur's tough economic policy of high interest rates to maintain the franc's strength is starting to crumble where it counts: among France's business and finance elite.

"It is not just the same old voices calling for a change in the franc fort," said Jean-François ment, those quiet behind-the scenes arguments from some of Mr. Balladur's traditional

So far, the complaints have been muted in public. But that seems about to change. With the French returning from their traditional summer vacations amid signs of continuing economic weakness and mounting unemploy-

Brothers Inc., referring to the strong-franc policy. "There is much more hidden pressure by the business community."

backers are beginning to take center stage.

On Friday, for example, the conservative establishment occurrence. Le Figaro, pub-

establishment ocwspaper, Le Figaro, published a front-page editorial questioning the government's commitment to the strong franc in the aftermath of the effective breakdown in early August of the tight links among currencies in the European Monetary System's exchange-rate system. The French daily, which has raised previous questions about the source. has raised previous questions about the gov-

ernment's stance, said it was time to open a vigorous public debate on the issue.

With analysts pointing to economic improvements in Britain and Sweden that followed currency depreciations and interest-rate cuts in those countries last year, similar doubts are even surfacing in Belgium and Denmark over monetary policies that appear to place

See FRANC, Page 11

Dollar Tumbles as Market Spotlight Shifts to Mark

By Carl Gewirtz ational Herald Tribune

PARIS - The dollar lost more than 1 percent on Friday, falling to the bottom of its than a loss of confidence in the dollar. recent trading range against the Deutsche mark and setting the stage for further weak-ness, market analysts said.

The dollar fell to 1.6160 DM in New York, down from 1.6450 Thursday. Although the move was triggered by disap-pointment with the latest economic data from the United States showing a decline in non-

farm employment last month, analysts main-tain that the underlying dynamic of the market is a reassessment of the Deutsche mark rather

"The dollar's weakness is a reflection of the Deutsche mark's strength against all currencies," said Neil MacKinnon, Citibank's London-based analyst. Nevertheless, the July employment report

wiped out hopes of many market participants that U.S. interest rates were poised to rise. This is good news for the U.S. boud market,

where rising prices drove the yield on 30-year paper to 5.94 percent, a low not seen since 1968. Stock prices also rallied, but only mod-

term interest rates brought back into focus the fact that U.S. rates at just over 3 percent remain about 3.75 percentage points below German levels. The foreign exchange market had been willing to forgo the immediately

See DOLLAR, Page 10

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By David Hoffman

SHEIKH RADHWAN, Israeli-Occupied Gaza Strip — In an empty sand lot near the sea, almost 2,000 Palestinians joined an upbeat rally to demonstrate support for the draft peace agreement with Israel in which Palestinians will

finally get a chance to govern themselves. But soon after the bands started playing, and speeches began from the leftist faction that sponsored the rally, youths from Hamas, the militant Islamic Resistance Movement, surrounded the crowd. Carrying pipes and boards, they harled stones into the gathering, then attacked it, throwing chairs and tearing down the big Palestinian flag behind the stage. The

The Wednesday night incident, less than a week after Israel unveiled a landmark agreement with the Palestine Liberation Organization to transfer the Gaza Strip and Jericho to Palestinian control, brought a sober reminder of what the Palestinians face in the months

If the keys to the Gaza Strip are actually handed over, the Palestinians who take control will find that they have inherited a political and

economic nightmare. Although there is bold talk of building ports, factories, schools and highways, of a flourishing democracy and bus-tling gateways to the Arab world, the reality is

The Palestinians are riven by political factionalism that could well turn violent. And at the critical moment when they take control of their own affairs, there is a leadership vacuum. Ucemployment is widespread, health conditions poor. Water, sewerage and road infrastructure has dangerously deteriorated. And Palestinian society is being torn apart by con-flicting strains, such as the frustrations of a youthful population and the rise of Islamic militancy.

The oew Palestinian government will also have to set up a judicial system and make sensitive decisions such as how to handle gangs that have been killing fellow Palestinians suspected of cooperating with the Israeli authori-

Since the beginning of the *intifada*, the uprising against Israeli occupation in 1987, at least 755 Palestinians have been slain by other Pales-

See GAZA, Page 5

Murdoch Sale Signals Asian TV Shift

HONG KONG - In a major Asian strategy shift, Rupert Murdoch's News Corp. is selling its 50 percent stake in South China Morning Post (Holdings) Ltd., executives of the Hong Kong-based company said on Friday.

Details of the surprise sale were incomplete, but analysts said the disposal of a profitable newspaper identified with Hong Kong's establishment signaled Mr. Murdoch's emphasis on television broadcasting over print for his company's expansioo in Asia.

"They would only sell the paper if they had a reinvestment opportunity in the short term," said George Colman, a media analyst with NatWest Securities in Sydney, of a deal worth at least \$500 million to News Corp. "I will oot be surprised if that opportunity is

Others said Mr. Murdoch had chosen to sell at the top of the market for English-language newspapers in Asia, which are under commer-cial pressure from local-language publishers that are often less likely than Western-owned companies to antagonize their governments.

"The English-language daily is on the wane in Asia," said Kirk Sweeney, research director at Lehman Brothers Asia Ltd. "Mr. Murdoch bought the South China Morning Post in 1986 for a very good price and has enjoyed very good profit margins, but now he is focusing on broadcasting."

Based in Sydney, News Corp. has publishing, entertainment and broadcasting properties on four continents. Its holdings include STAR-TV, the Asian broadcaster based in Hong Kong; Fox Broadcasting and Twentieth Century-Fox Film Corp. in the United States,

See MURDOCH, Page 13

Ukraine Chief Offers Fleet To Russia for Debt Relief

Kiev's Economic Woes Also Bring a Concession On Nuclear Weapons

By Fred Hiatt

Weatington Post Service

MOSCOW — President Leonid M. Kravchuk of Ukraine, his nation's economy in a
shambles, agreed Friday to sell Ukraine's share
of the prized Black Sea Fleet to Russia in

exchange for debt relief.

Mr. Kravchuk, meeting with President Boris
N. Yeltsin in Crimea, also pledged to send
Ukraine's nuclear warheads to Russia for dismantling. In exchange, Mr. Yeltsin said Russia
would send Ukraine uranium for its nuclear

Both agreements appeared to represent dra-matic concessions by Ukraine, which has viewed the fleet and the ouclear weapons it inherited from the Soviet Union as important badges of sovereignty. But with the nation's economy in a free fall, Mr. Kravchuk apparent-

ly felt he had to strike a deal. The Ukramian parliament must still approve the agreements, however, and nationalists there seem likely to raise objections. The two presidents have reached agreements before on the Black Sea Fleet, at times promising to share it, at other times promising to divide it evenly. But each agreement has fallen victim to mistrust and recriminations between the two most populous republics of the former Soviet Union.

With more than 50 million inhabitants, a solid industrial base, valuable ports and borders with Eastern Europe, Ukraine had more potential for prosperity than most of the other 14 republics created by the collapse of the Soviet Union in 1991.

But the natioo's leadership has been unable to stick to a clear policy of economic reform, and the resulting waffling and corruption have proven disastrous. Mr. Yeltsin, facing divisions and power struggles at home, was oot above citing Ukraine on Friday as a worst-case sce-

"Ukraine today is for Russia a striking example of how differences between branches of power as well as inside the cabinet can boomerang on the economy and drive an independent

The Ukrainian currency, the karbovanets, fell from 700 to the dollar to 19,000 per dollar in less than one year. Ukraine has more food shortages than Russia, and inflation is higher than Pursick about 19,000 per dollar in less than process than Russia, and inflation is higher than Pursick about 19,000 per dollar in the process than Russia.

than Russia's already galloping rate.

One result of Ukraine's depression has been its inability to pay Russia, especially for oil and gas. Ukraine's debt to Russia is estimated at \$2.5 billion, and Russian officials have threatened to cut off fuel supplies.

"Ukraine must carry the economic burden of its own independence," said Vyacheslav Kosti-kov, Mr. Yeltsin's spokesman. He added, however, that Kussia would not demand world market prices for its oil or deliver ultimatums to

Ukraine on the question of fuel supplies.

Mr. Yeltsin said that the value of Ukraine's share of the 300-vessel Black Sea Fleet could be used to offset its debt. If the ships' value exceeded the debt, Russia would pay the difference, he said.

The agreement leaves unresolved the issue of Sevastapol, the fleet's home port. The city found itself in Ukraine when the Soviet Union collapsed, but it historically belonged to Russia and many Russians still view the city — and the fertile Crimean peninsula surrounding it — as rightfully theirs.

The two presidents were to discuss the possibility of Russia renting Sevastapol, much as Britain leases Hong Kong from China. But that idea has prompted objections from Russian nationalists who do not want to acknowledge Ukrainian ownership, from Ukrainian oation-alists who do not want to allow foreign armed forces on their soil, and from Crimean authorities who want a cut of any rent.

The issue of nuclear arms also has been contentious. Ukraine pledged as soon as it became independent to become a nonnuclear state, but since then many Ukrainian politicians have questioned the wisdom of ceding the estimated 1,600 to 1,800 ouclear warheads. Many do not trust Russia, where many nationalists still view Ukraine as a Russian province.

Robocop Uncovers Suspect 480-Pound Device Outguns Its Quarry

In Gaza, Chaos Threatens

The Dream of Autonomy

By Jon Jeter

WASHINGTON - A five-hour standoff between the police and a man suspected of killing his girlfriend ended when the authorities sent a robot into the couple's apartment in Maryland

ropot into the couple's apartment in Maryland to help subdue the man.

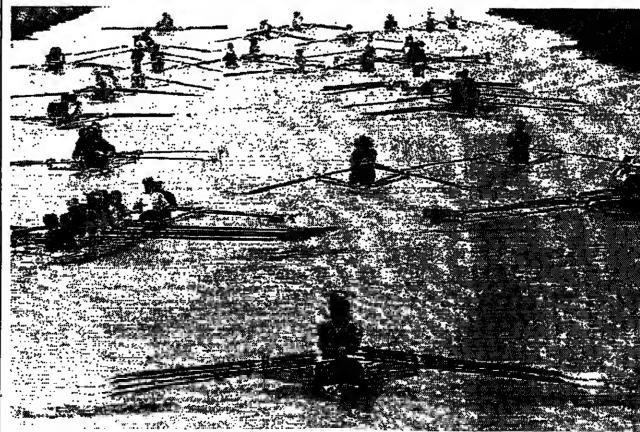
The suspect, Craig Allen Smith, 22, of Greenbelt, Maryland, was charged with first-degree murder in the shooting of his girlfriend, Cynthia Marie Wilkinson, 24. Alerted by a friend after Ms. Wilkinson was

killed, police officers converged on the apartment but Mr. Smith, armed with a shotgun, refused to surrender, the police said. After long and inconclusive negotiations by telephone, the police sent to the remote-con-'trolled robot, a three-foot-tall, 480-pound ma-chine that is used by the Prince George's Coun-

ty Fire Department to disarm explosive devices.
The robot, equipped with a television transmitter, was guided to a bedroom closet. The robot opened the closet door, and Mr. Smith was detected hiding under a pile of clothes. The robot removed the clothes, but Mr. Smith grabbed them and began to cover himself again. the police said.

A technician controlling the robot used a high-pressure water gun to knock the shotgun out of the man's hands and disorient him, enabling the police to arrest him, said Corporal

The police said Ms. Wilkinson had apparently told Mr. Smith on Wednesday night that she wanted to end their relationship. They argued Wednesday night and again Thursday morning, when Mr. Smith shot Ms. Wilkinson, the police



JUST PLAIN STROKES - Participants in the World Rowing Championships in Roudnice, Czech Republic, practicing Friday.

Kiosk

Jane's Upgrades Iraqi Air Power

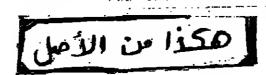
LONDON (AP) — The Iraqi Air Force has almost 300 fully operational combat aircraft, nearly double U.S. intelligence estimates. Jane's Information Group reported Friday. Paul Beaver, editor of Jane's Sentinel, said the number of warplanes "casts doubts on the effectiveness of UN sanctions" against Iraq. imposed after it invaded Kuwait in August

An analysis of the Iraqi Air Force by U.S. intelligence sources in December identified a total of 350 Iraqi combat aircraft, of which 160 were deemed operational, he said. "Although these aircraft are operational, he still lacks the pilots and the organization structure to use them effectively," Mr. Beaver said.

President Clinton is scaling back the healthcare plan he will present to Congress. Page 3.

Susiness/Finance

A U.S. jobs report was mostly bad news, despite a lower unemployment rate. Page 9. German industry and local governments are bailing out a recycling program. Page 11. Japan's trade surplus bulged again in July, as unports stagnated. Page 13.



By John Tagliabue
New York Times Service

ROME - The revolution spawned by Italy's huge corruption scandal swept into the judiciary for the first time Friday when a senior Milan jodge was placed under arrest and accused of involvement in what may have been the greatest of Italy's scams, the government buyout in 1990 of the big Enimont chemical corporation.

Italy's previous scandals have implicated the Mafia, business leaders and the politicians.

But the arrest Friday of Diego Curto revealed apparently startling levels of corruption in the judicia-ry, which has emerged until now as the white knight in uncovering the vası system of Italy's patronage

What most shocked Italians about the arrest of Judge Corto, 68, who is the deputy head of the civil court and a principal commercial law judge in Milan, the financial capital, was the allegation that he pocketed \$250,000 in kickbacks as late as July. This was roughly 16 months into Italy's investigative frenzy, and only days after the apparent suicides of two principals in the high financial drama in which Judge Curto has been implicated.

Judge Curto, an impassioned au-thor who has published several novels and dramas, was detained in nearby Brescia, where magistrates have been investigating his case. This week, Justice Minister Gio-

vanni Conso ordered an administrative investigation into his behav-

The charges brought against ludge Curto involve abuse of office for personal enrichment, Milan officials said, and reflect the tangled, ugly web of financial, political and personal interests that has come to

light behind the facade of corpo-

rate Italy. They date back to November 1990 and the corporate hattle between the privately owned Montedison chemical corporation and its chairman, Raul Gardini, and the state-run chemical company Ente Nazionale Idrocarburi, or ENI, for corporate control of their Enimont chemical joint venture.

Investigators have been focusing on how ENI and its chairman, Gabriele Cagliari, together with ENI's owners at the Italian treasury, staved off a hostile takeover bid for Enimont by Mr. Gardini.
To this end, they evidently pre-

vailed upon the state owned Banca Commerciale Italiana, a major commercial bank, to refuse to un-derwrite Mr. Gardini's bid, then moved to have the Milan commercial court, through Judge Curto, sequester Enimont's shares, which were deposited with a Milan lawyer and Banca Commerciale board member named Vincenzo Palla-

Ultimately the impasse was re-solved when the government of the then prime minister, the Christian Democrat Giulio Andreotti, worked out a deal whereby ENI paid an inflated sum to get Mr. Gardini and Montedison out of the Enimont venture, and Mr. Gardini and his associates in turn paid the major political parties in the gov-ernment the equivalent of \$94 million in kickbacks.

Earlier this year, Mr. Gardini's big Ferruzzi group, which controls Montedison, came crashing down under the weight of \$20 hillion in

largely hidden debt. Now, Mr. Palladino has told investigators be paid Judge Curto roughly \$250,000 cash in Swiss francs in late July for his compliant role in the Enimont finaging.

Attack on U.S. Barracks Targets Bosnia Flight Base

AVIANO, Italy - Men in a car fired shots and threw a small explosive at a United States military barracks near an air base used by American fighter planes operating flights over Bosnia-Herzegovina. No one was hurt in the attack

shortly before midnight Thursday, but bullets struck a dormitory and a window was shattered, said a base spokesman, Master Sergeant Reginald Dawkins.

He said the "apparent terrorist attack" had prompted oo oew secu-rity measures. More than 30 fighter



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do subway sta. Tel. 3400-0047, Worship ser-vices Sunday 8:30 & 11:00 a.m., S.S at 9:45

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GENEVA

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PAUL INTERNATIONAL LUTHERAN

iets and 2,600 personnel are stationed at the base.

The attack was the first against the base's facilities since flights originating there began on April 12 to enforce an air exclusion zone over Bosnia. The operation is being conducted by the North Atlantie Treath Organization to prevent Serbian air attacks on Muslim ar-

The base was "already in a heightened state of alert" since the operation began, Mr. Dawkins said. There had been some peaceful protests before Thursday at the base, 100 kilometers (60 miles) northeast of Venice.

Guards noticed a black Seab pull up slowly about 11:30 P.M. Thursday ocar the gate of the barracks, about five kilometers from the base, and saw a man get out.

the car fired "a rapid series of shots" from the sunroof and a during the Korean War, but Ameri-"grenadelike bomb" went off inside the barracks grounds before sia cootinued to impede their

ST. PAUL'S WITHIN THE WALL, Sun. 8:30 a.m. Rie I, 10:30 a.m. Rie II, 1 p.m. Spenish Eucharist. Via Napoli 58, 00184 Florne, Italy. Tel: 398 474 35 69.

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ALL SAINTS' CHURCH, 1st Sun. 9 & 11:15 sun. Holy Eucherist with Children's Chepel at 11:15. All other Sundays: 11:15 sun. Holy Eu-cherist and Sunday School, 563 Chausele de Louvein, Ohein, Belgium. Tel. 32/2 384-3556.

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RELIGIOUS SERVICES



A Bosnian Croatian in Sarajevo, mourning Friday at the tomb of her son, who died while serving with the Bosnian Army.

Can 'Mixed' Bosnia City Hold Together?

By David B. Ottaway

Washington Past Service
ZENICA, Bosnia-Herzegovina — Sreto Tomasevic, a Serb, has been married twice, to a Croatian and now to a Muslim. He has four children; two are Catholic, the third a Mus-

lim and the fourth an Orthodox Christian.
"Everything is mixed in this family. We are
a true Bosnian family." he said with pride,
sitting together on a sofa with his wife and his 8-year-old son in their apartment here.

But both Mr. Tomasevie and his wife, Nadja, are deeply worried these days that multiethnic lamilies like theirs, who make up almost 30 percent of Bosnia's 4.4 million population, have been doomed to an ugly fate by the latest peace plan worked out in Geneva for the partition of Bosnia into three

ethnically based republics.

Zenica, Bosnia's third largest city, is in the middle of the designated Muslim republic and has a majority Muslim population that is coming under pressure from religious extremists, some of them mujahidin from the Middle East, to establish an Islamie government.

The city illustrates what may be the greatest human tragedy awaiting still to befall this hapless Balkan land, the final ripping apart of the remaining multiethnic towns and cities that somehow survived the war only to succumb to a UN and European-imposed peace

Though the plan has yet to be approved by the Bosnian government, news reports of its

content were sufficient to begin sending cracks down Zenica's fragile ethnic seams and to set in motion preparations for the mass exodus of tens of thousands of Orthodox Serbs and Catholie Croats from the proposed Muslim republic.

Right now, Mulsim authorities in Zenica are refusing to allow any Serbs or Croats to leave because, they say, they will be accused of "ethnic cleansing." But they concede that the exodus of most of the city's remaining 23,000 Croats and 10,000 Serbs is probably

"Frankly speaking, I'm afraid of opening the roads because these Croats and Serbs will leave," said Ziad Imamovic, a Muslim city official. "But we shall do our best to convince them that we consider them as citizens with

But preparatory signs of a mass exodus are clearly visible along the "Boulevard of Brotherhood and Unity" that parallels the Bosna River running through the heart of Zenica as well as at the open-air market in the city's old quarters. Hundreds of Serbian and Croatian women can be seen selling clothes, china and other household goods for Dentsche marks or

Even those of mixed ethnic marriages like the Tomasevics, who insist they want to stay here, fear that life will prove impossible in a Muslim republic.

Mrs. Tomasevic said she now hears Muslims greeting each other for the first time with ("peace be with you"). She is also disturbed to see some Muslims now covering their hair with scarves in conservative Muslim fashion when they go out in the streets. An Islamie humanitarian group, IGASA, has been handing out the scarves.

"I'm afraid these people will try to make rules about how we should dress," she said, "If they do, I will leave. Before the war we wanted to be like Europe. Now we are going backward 100 years."

■ New Fighting in Mostar

Mostar exploded in tank and mortar fire
Friday, and heavy fighting between rival
Muslim-led government forces and Bosnian Croat troops raged on in central Bosnia, wire ervices reported.

Meanwhile, the Bosnian Serbs' leader, Radovan Karadzic, hrushed aside a U.S. warning that NATO could intervene against Serbs if the Bosnian conflict intensified after the hreakdown of peace talks.

President Bill Clinton, primarily singling out Croats and Serbs fighting Muslims in the former Yugoslav republic, said "the NATO military option is very much alive," Mr. Karadzic denied involvement by Bos-

nian Serbs in the current fighting. "The Serbs are not in the war any longer," he said, "We haven't fought the Croats for five months, We doo't fight against the Mus-

lims except for some border incidents."

WORLD BRIEFS

Turkey Reinforces Border Troops 🤫

ANKARA (AP) - Turkey reinforced its troops on the Armenian border Friday and warned Armenia to withdraw from occupied Azerbas. jani territory, while Turkish media reported an Iranian incursion into

Ankara, which has competed with Tehran for ties and influence in oil-rich Azerbaijan and other Muslim former Soviet republics, appeared initially to ease concern about fran's meddling in the worsening conflict. "It would be natural for any regional country directly or indirectly affected by the Armenian attacks to take some measures deemed necessary for their region's security," a Foreign Ministry spokesman said, Anatolian News Agency said Iranian "border guards" penetrated three kilometers into Azerbaijan to protect a jointly operated dam.

U.S. Helicopter Hit Over Mogadishu

WASHINGTON (Reuters) — A U.S. Army Blackbawk helicopter on routine aight patrol over the Somali capital of Mogadishu was hit by a

rocket, the Defense Department said.

A Pentagon spokesman said that one crew member had been slightly injured in the attack, which occurred Thursday over the southeast section of the city. The crew member was taken to a field hospital and was expected to be released shortly.

The spokesman could not say who had fired the 57mm rocket. But the incident immediately fueled speculation that it may in some way be linked to forces loyal to Mohammed Farrah Aidid, the fugitive warlord.

Germans Suspect Grocer Faked Arson

TRIER, Germany (Reuters) — German prosecutors on Friday arrested an Afghan-born grocer on suspicion of arson, attempted murder and insurance fraud after be allegedly faked a rightist arson attack on his own shop. A family of four narrowly escaped death in the fire in the town of

The police suspected neo-Nazis after finding swastikas and xenophobic slogans sprayed on the remains of the burned-out house. Such an attack would have fit the pattern of racist violence that began after German reunification and has claimed at least 28 lives.

But the prosecutor's office in nearby Bad Kreuznach said it had found no evidence of forced entry into the house, although the fire began inside.

It added that there had been traces of inflammable liquid on the clothes of the 40-year-old grocer, a naturalized German. The man denied the charges, the prosecutor's office said.

22 Feared Dead in Japan Typhoon

TOKYO (AFP) — At least 22 people were feared dead and dozens were injured late Friday after one of the most powerful Japanese typhoons in 50 years hit the southern island of Kyushu, the police and weather reporters said.

The typhoon, designated Yancy, wields winds up to 212 kilometers per hour. It broached the southern tip of Kyushu in the late afternoon and reached Miyazaki in the early evening before heading north toward

The Meteorological Agency warned that the typhoon might sweep the Japanese archipelago if it maintained its present course.

Hosokawa in Talks With Yeltsin Aide

TOKYO (AFP) - Prime Minister Morihiro Hosokawa of Japan called for a solution to the dispute over the Kuril Islands in talks with a close aide to President Boris N. Yeltsin, Jiji Press said Friday.

In a meeting with the former Russian state secretary Gennadi E. Burbulis, Mr. Hosokawa said that "responsible political leadership and decision-making" must replace "narrow-minded nationalism and domestic political strife" to resolve the dispute, Jiji Press said. The Islands, off Japan's northern coast, were seized by the Soviet Union at the end of World War II.

Mr. Burbulis arrived in Japan on Thursday to help lay the groundwork for a visit by Mr. Yeltsin that is scheduled to take place next month.

China Dam Toll Decreased by 1,000

BEIJING (Reuters) — UN officials in Beijing said on Friday that 257 people were killed when a dam burst in China last week, not 1,257 as reported in Geneva on Thursday.

A UN Development Program official, Antonius Broek, said the UN's Department of Humanitarian Affairs in Geneva had misread a Chinese document, which actually reported only 257 people killed.

"They made a mixtup with the numbers in Geneva," Mr. Broek said at his Beijing office. "Thank goodness this was an error and the lower death count is the accurate one."

Catholic Shopkeeper Slain in Belfast

BELFAST (Reuters) - Protestant gunmen smashed down the door of of his six children, the police said.

He was the fourth person to die in one of the bloodiest weeks of the year in the region's sectarian conflict, with Protestant extremists stepping up their campaign. In addition, five persons have been wounded.

The masked gunmen used a sledgehammer to batter down the door and then ran up the stairs and shot the shopkeeper several times in the stomach. He died later in a hospital. The Ulster Freedom Fighters, an outlawed Protestant extremist group, admitted responsibility.

TRAVEL UPDATE

The underground shopping complex of Les Halles in central Paris was closed to the public Friday morning after clashes between youths and the police in which 20 youths were arrested and 10 police officers were injured overnight. The violence ontside a police station began when two street musicians were arrested.

China has joined the International Air Transport Association, which groups most of the world's airlines, the association said in Geneva. (AP) A four-day strike has been called against Air-Inter starting Monday by mions representing pilots and co-pilots, to protest the French airline's freight policy, but the carrier said it would be able to maintain an almost complete service for all scheduled flights."

A high Indian official has told the country's airline unions to stop "torturing" passengers. Gulam Nabi Azad, the civil aviation and tourism minister, said the unions' "disrupting" of flights made it difficult to attract tourists.

Tourists have again been warned off from Turkey by a Kurdish dent's closest aides and one of the separatist group that has been holding seven foreigners hostage since mid-August. The military chief of the Kurdistan Workers Party was

quoted by the Kurdish press agency Kurd-ha as saying that tourism was helping Turkey to "finance the war in Kurdistan." Kenya has banned all visits to the Molo area, a center of ethnic fighting

growth of the power struggle bein the country's Rift Valley Province, and declared the area a security
tween Mr. Yeltsin and hard-liners. zone in which political meetings cannot be held.

(AFP)

The legislature is asking for a ruling only on the part of the decree applying to Mr. Rutskoi. It put that

By Wolfgang Saxon New York Times Service Alexander M. Nekrich, 73, Russian historian at Harvard University, died Tuesday at Mount Auburn Hospital in Cambridge, Mas-

The cause was amyotrophic lateral scierosis, known as Lou Gebrig's disease, said Adam Ulam, a colleague and former director of Harvard's Russian Research Center, where Mr. Nekrich was a senior research feilow.

Mr. Nekrich was allowed to leave the Soviet Union in 1976, some years after his freedom to write and work there had been curtailed by the academic establishment, subservient to Communist Party ideologues. He joined the Harvard Iaculty as a research fel-

low and was made a senior fellow in 1987.

the West, was an account of Stalin's actual prewar performance. The official Soviet view was that he had been a steady military commander of great wisdom. Stalin's crimes had been revealed

years before by Nikita S. Khru-shchev, hut Mr. Nekrich's documentation of Stalin's blunders and Soviet unpreparedness for the German invasion of 1941 struck a raw nerve in Moscow, and he was expelled from the Communist Party.

After he left the Soviet Union, more of his books appeared on both sides of the Atlantic. They included "The Punished Peoples" (1978), on Stalin's banishment of whole nationalities. Mr. Nekrich witnessed deportations in the Cri-

But his book "June 22, 1941," Max Henry Fisher, 71, Was published in 1965 and translated in Editor of Financial Times New York Times Service

Max Henry Fisher, 71, a British merchant banker who was the editor of the Financial Times from 1973 to 1980, died Sunday, the pa-per reported Thursday. The cause Born in Berlin, Mr. Fisher, a Jew,

fled Hitler's Germany. He joined the Financial Times in London in 1957 and spent 23 years with the paper, as a reporter, foreign editor, assistant editor, and deputy editor. Io his tenure as editor, he founded its "foreign empire."

His predecessor, Sir Gordon Newton, had transformed the paper from, essentially, a stock marof his recruits.

U.S. Says Some in Russia Hinder POW Search

can officials complained that Russervicemen.

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Tel: 0211/400 157.

were shot down by Soviet forces cooperated in the commission's work. Mr. Toon, a former U.S. ambassador to Moscow, praised President Boris N. Yeltsin and the Rusthe car sped away, Mr. Dawkins search for missing pilots and other sian task force chairman, General Dmitri Volkogonov, but said that

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WARSAW

WARSAW INTERNATIONAL CHURCH,

Washington Post Service.

Malcolm Toon, U.S. chairman of MOSCOW — Russia has given a Russian-U.S. task force on POWs and MIAs, said Thursday that Russian security agencies had not fully the Korean War.

Malcolm Toon, U.S. chairman of others "have not been very forth-cooler during that war than many coming on this," especially with regard to Americans missing since the Korean War. Mr. Toon said he agreed with crash sites and prisoners. General Volkogonov's conclusion

that no Americans were still being held in Russia against their will information in Russian files about Americans who may have been War or survived shoot-downs of more U.S. prisoners in Vietnam intelligence-gathering planes during the Cold War.

Mr. Toon said it was less likely War. Other task force members briefing to Soviet officials.

On the subject of Vietnam-era

POWs, General Volkogonov said that a recently found Soviet docu-But U.S. task force members said ment recounting a Vietnamese inthey believed there may be more telligence briefing was "authentie, we have oo doubts about that." But he said the information in hrought here during the Korean the document, which listed far

than American sources had estimated, was "not quite accurate." General Volkogonov said he bethat Soviet officials had been heavi- lieved that Vietnamese officials exly involved in interrogations of aggerated the number of Ameri-U.S. prisoners during the Vietnam cans they were holding in the

who has aligned himself with the

enemies of president's free-market

Mr. Shumciko is one of the presi-

most ardent proponents of reform

Their suspensions grew out of a

spreading government corruption scandal, which itself is an out-

in the administration.

said that Soviet-North Vietnamese -FRED HIATT Legislature's Move Prolongs

Its Standoff With Yeltsin MOSCOW - Russia's parliament backed away from a head-on

clash with President Boris N. Yeltsin on Friday over his suspension of the vice president, voting to let the Constitutional Court decide whether the move was legal.

The Supreme Soviet, Russia's standing legislature, voted, 144 to 10, to ask the court to rule on Mr. Yeltsin's decree suspending Vice President Alexander V. Rutskoi and First Deputy Prime Minister Vladimir F. Shumeiko.

part of the decree on hold until the

Mr. Rutskoi is a Yeltsin rival

DEATH NOTICE

ALFRED GREY MBA, International managemen

consultant, U.S. War Department's AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quel d'Orsey, Peris 7, Bus 63 et door, Motro Alma-Marceau or Invalidas. Commendation for Mentorious Civilian Service for outstanding performance of duty during World War II. Beloved husband of Anna. Died on August 20, 1993, in Lausanne, Switzerland, of a cruel iliness of several years.

ZEILER, NORMAN

on August 27th. Beloved husband of Micky, devoted father of John, Nancy Zeiler Coplon and the late Stephen J. Father-in-law of Edward Copion, loving grandfather of Benjamin and Jonathan. Services were held August 30th at Temple Emanu-El, Fifth Avenue at 65th St. In his memory contributions may be made to The Police Athletic League, 34 1/2 East 12th St., NY, NY 10003 USA.

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صكذا من الاصل

mea, and his book traced the fates ket data sheet into Britain's leading of those ethnic groups. Later, with Michael Heller, he wrote "Utopia Born in Baku, Azerbaijan, he source of business information. He also peopled the rapidly growing paper with writers of high academ-ic caliber, and Mr. Fisher was one graduated from Moscow State Uniin Power" (1986), an acclaimed history of the Soviet Union. versity and earned a Ph.D. at Moscow's Institute of History of the Fluent in German, he recently Academy of Sciences, where he completed a study of Soviet-Geralso received a postdoctoral degree. Under Mr. Fisher's guidance, the From 1956 until 1976 he held the man relations between the wars, Financial Times turned into a Euwhich is beaded for publication, title of senior scholar at the history ropean journal of information and opinion.

STATESIDE / RELYING ON RESERVISTS

Under 2-War Plan, Pentagon Sees Role for Part-Time Troops

By Eric Schmitt

New York Times Service
WASHINGTON - With the number of active-duty troops shrinking but the Pentagon still determined to stand ready to fight to rely more heavily on combat reservists.

Uoder the proposal for a post-Cold War ents reap from part-time salaries and local military structure made public by Defense
Secretary Les Aspin, the Pentagon intends
to increase the training equipment and
training abandoned efforts this year to combat readiness of about 15 army Na-make deep reductions in reservists. tional Guard brigades. Under the Pentagon's plan to be able to fight two regional new ways to integrate active-duty troops

duty troops in one of the wars. Apart from the strategic considerations, the decision reflects a domestic political two wars at once, the military is preparing reality. Congress has long shielded the National Guard and the reserves of the variwhose performance raised some doubts ous services from deep cuts, partly because during the Gulf War.

ous services from deep cuts, partly because of the benefits that lawmakers' constituof the benefits that lawmakers' constitu-

Instead, the Pentagon is trying to find

consticts simultaneously, the brigades with the guard and the reserves, whose would be used as reinforcements for active expense ranges from 25 percent to 80 per-

duty forces. The big question for the Pentagon is now

served in the region as doctors, cargo han- ics, however, say the changes have not yet diers, transport plane pilots and other sup- yielded conclusive results. port jobs, often filling the same positions they held as civilians.

bat brigades that were activated during the spending, of an amount so far undeterwar took longer to prepare than had been mined

cent of what it costs to maintain active- size. As a result, the three brigades were never sent to the Gulf

After the war, Congress and the army what steps commanders can take to insure both made changes to improve training that troops of the army Nadonal Guard in and to encourage retiring active-duty particular are ready to deploy in a crisis.

During the Gulf War. 106,000 reservists thus lending them needed experience. Crit-

Pentagon officials say the administration's new approach to improve readiness But the three army National Guard com- of combat reservists will require increased

deploy 90 days after call-up

A study on reserve forces, conducted last year by Rand Corp., a private research institution, determined that a typical reserve combat brigade would need 128 days to deploy. It recommended deploying re-servists in smaller-sized units, using more computer-simulated training, buying more training equipment and otherwise improv-ing the efficiency of training time.

Reservists train a minimum of 39 days a year, typically a weekend a month and a two-week stint during the year.

Clinton to Scale Down Health Proposal

By Robert Pear New York Times Service

WASHINGTON - President Bill Clinton has decided to jettison some of the ambidous plans for comprehensive health benefits that he and his advisers had decided should be guaranteed to all Americans, according to administration officials.

Because of concerns about cost, the health-care overhaul package will initially include only limited amounts of mental-health care and will not cover dental services for

White House documents say the package to he proposed by Mr. Clinton, which would prescribe the minimum coverage provided by all health plans, is "as comprehensive as those offered by most Fortune 500 companies." But the public's

By Charles R. Babcock

Washington Post Service

PAC, a Republican political action committee, told the dean of the business school at the

college in Marietta, Georgia, how to raise tax-

deductible donations - from foundations and

Gingrich supporters - for the course, which

will be beamed by satellite to 133 sites around

Jeffrey Eisenach, GOPAC's executive direc-

· For the World Trade Center California, that state's Supreme bombling case, 5,000 additional Court has ruled. The court dis-

ospective jurors will be called. A missed the case of a 305-pound

thought it was caused - by a phys-

a liver and small-intestine trans-

plant last year will require a second

transplant for long-term survival Doctors at a Pittsburgh hospital

said the operation on Laura Davies

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NYT, AFP, Reuters, AF

could involve several organs.

federal judge in New York City has woman who was denied a job at a

ordered the extra summonses, more food store, but said a lawsuit could than doubling the pool of prospec- be allowed if the plaintiff's obesity

in the death of the actor Brandon Lee, prosecutors in Wilmington, North Carolina, said. Mr. Lee was

• A 5-year-old British girl who had

Away From Politics

No criminal charges will be filed

fatally shot in March on a film set

with a gun that was intended to fire

• Four-day-old congenitally united

twins have been separated by sur-geous at a Baltimore bospital. The two girls were joined at the chest

and abdomen but did not share any

• The Anti-Defamation League of

B'nai B'rith withdrew as a partici-

pant in a religious conference in Chicago because the leader of the Nation of Islam, Louis Farrakhan,

was asked to speak. A spokesman

for the league said that it withdrew

from the Parliament of the World's Religions because Mr. Farrakhan

"cononues to espouse and promote classic anti-Semitte notions of Jew-

· People can sue for job discrimi-

nation on grounds of obesity in

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RESTAURANT

CARR'S

ish domination and control."

organs, officials said.

science or pure politics,

president to scale back initial plans to offer coverage significantly now provide.

Administration officials said limits on mental-health care - in general, 30 outpatient visits and 60 days in a hospital each year — were more stringent than they had origi-nally hoped, but would still permit coverage more generous than many Americans now have.

The limits were adopted over the objections of Tipper Gore, the vice president's wife, who has advocated complete parity in coverage of mental and physical illnesses.

Bot White House documents show that the president's plan, scheduled for submission to Congress later this month, will recomaversion to new taxes forced the services in the year 2000.

ton said Thursday that he intended made." broader than many big employers to slash the growth of Medicare and Medicaid, the programs for the elderly and the poor, to help finance new benefits like long-term care and prescription drug coverage for the elderly.

> The government typically tries to curb the cost of these programs by limiting payments to doctors and hospitals or by requiring beneficia-ries to pay a larger share of the bill.

In addition, Mr. Clinton said that "a bureaucra@c system of price controls" would not be needed to hold down health costs. Some drug companies and other segments of the health-care industry have offered to keep prices in line with

Democrats and Republicans alike have warned Mr. Clinton that price controls would not work in the health-care industry. In trying to allay such concerns, Mr. Clinton omitted any reference to one type of price controls that he does intend to impose: limits on private health insurance preming

By controlling the annual in-rease in premiums, he hopes to make insurance companies restrain payments to doctors and hospitals. thus controlling all bealth-care

Mr. Clinton intends to unveil his health-care plan in a speech to Congress the week of Sept. 20, and be will probably issue a detailed description of it at that time. But it mend expanding coverage of men-tal health, dental and prevenove Clinton said, and "they should be tion to submit draft legislation to given the opportunity to adhere to Congress, officials said.

going to do something," he said, "and what they're going to do, 'Professor' Gingrich's Lesson in Politics when it's going to happen, where it's going to happen."

For every U.S. truck driver who died in a fatal car-truck accident in 1991, 40 occupants of cars died. To avoid an accident with a truck, the American Antomobile Association recommends that you stay out of a trucker's blind spots, Cars disappear from a truck driver's view in places along a truck's right side and for some 200 feet (60 meters) directly behind it, If you can't see a truck's mirrors, you are probably in its rear blind spot. The right-hand blind spot is especially danger-

AMERICAN

TOPICS

Black Fleeing Racism

Bill Simpson, one of two

black men who moved into the

previously all-white East Texas

town of Vidor last winter, com-

plained of racial barasament.

This week, he moved to nearby

Beaumont, where he was shot to

death only hours after his arriv-

Beaumont police, and a

friend of Mr. Simpson's who

was wounded in the attack, said

that the 19-year-old gang member arrested in the shooting was

black, that the motive was rob-

bery and that the shooting had no apparent connection with Mr. Simpson's efforts to inte-

Last winter, following a fed-

eral court integration order,

Mr. Simpson and John Dec-

Quir Sr. became the first blacks

in 70 years to live in Vidor

(rhymes with cider), a town of 11,000 people that has a long history of racial intolerance.

This week both black men

both moved out. Mr. Simpson,

37, a quiet bachelor who stood 7

feet tall (2.1 meters) and

weighed 300 pounds (about 135

kilograms), said at the time that

although the harassment had

not yet taken the form of physi-

cal threats, he was increasingly

Short Takes

"I don't want to worry who's

grate Vidor.

Is Killed by Robber

ous since truckers rely on the right-side lanes to escape sudden problems up ahead. And if you pass a truck, get well ahead of it because at highway speed a truck takes twice the distance to stop that a car takes.

The only dolls Pleasant Rowland could find for her nieces in 1984 were Cabbage Patch and Barbie dolls. So Ms. Rowland, a textbook publisher in Middleton. Wisconsin, started the American Giri collection, a line of play dolls evoking America's past. The dolls have historically accurate clothes and accessories. Each comes with her own wardrobe and a set of six books about her adventures. The 18inch (46-centimeter) dolls sell for \$85, almost double the price of the next most expensive dolls. The five dolls in the series are Felicity, from the colonial era; Addy, a black born in siav-ery; Kirsten, a pioneer girl; Samantha, from the turn of the century; and Molly, a World War II patriot.

Elvis Presley built Grace-land, his Memphis mansion, with the fortune he earned from rock-and-roll music, according to a recent article in The Washington Post. Wrong, wrote Edwin Howard in a letter to editor. Elvis didn't build Graceland, be bought it in 1957. And it didn't cost him a fortune, because be bad not yet amassed one. Although newly famous, he was about to be drafted into the U.S. Army. He paid \$100,000 for the 14-acre (5.6-hectare) property and its 13-room house. which had been built in 1939 by the double-named Dr. Moore Moore. Nor was it named after Presley's mother, whose name was Gladys. It was named after the great-aunt of the original

The state of California has ordered Randy Braverman of North Hollywood to change the vanity plates on his automobile. Through an apparent bureaucratic oversight, he was allowed to have plates which officials now say are an obscene variant of "darn you" in Pig Latin. The Los Angeles Times said Mr. Braverman is appealing the or-der: "He's claiming poetic li-

Arthur Highee

Mr. Clinton at the White House with '92 Nobel laureates, among them Dr. Edmond H. Fischer, left, and Dr. Edwin G. Krebs, University of Washington co-winners in Physiology or Medicine.

From Personnel Files to the Privacy Act

WASHINGTON - The State Department's inspector-general has been asked to investigate whether the privacy act may have been violated when information from personnel files of former Busb administration

political appointees at the department was examined and disseminated. The personnel records were among other files retrieved from storage and teviewed by officials of the Clinton White House liaison office at the State Department, Sources said those officials wanted to see how their predecessors had run the liaison office. The Clinton administratioo official who in June ordered retrieval of the liaison office records is leaving his post for another job "in a previously planned move," sources

A news item in The Washington Post on Wednesday disclosed that personnel folders of two former Bush officials, Jennifer Fitzgerald and Elizabeth Tamposi, had been reviewed and that the Fitzgerald file was empty. She was a close aide to George Busb for many years and is a

former deputy chief of protocol.

The file of Ms. Tamposi, who authorizing the pre-election search of Bill Clinton's passport records, was said to cootain information criocal of ber. After the department inspector-general, Sherman K. Funk, filed his report on the passport search, an aindependent counsel was appointed. The counsel is still investigating that

A department official said that after reading the Post item, officials decided to turn the matter over to Mr. Funk because of the "dist tion of information" from the two files.

Squaring Off With Perot's Anti-NAFTA Book

WASHINGTON - The Clinton administration picked its most direct confrontation yet with Ross Perot, charging that the Texas billionaire is spreading misinformation and falsehoods in his campaign to defeat the North American Free Trade Agreement

The counteroffensive by the U.S. trade representative, Mickey Kantor, showed how seriously the administration takes the threat from Mr. Perot and the lengths to which the White House is willing to go in its uphill battle to get the trade agreement approved by Congress.

In a prepared statement Thursday, Mr. Kantor said Mr. Perot's book

— a 142-page volume titled "Save Your Job, Save Our Country: Why

NAFTA Must Be Stopped — Now!" — contained 193 false or misleading

statements. His office issued a 74-page analysis challenging them.

Mr. Perot's co-author, Pat Choate, said the statements in quescion were as for the most part points of debate. "They're taking points where they disagree with us and calling it an error." he said. "That's nonsense." A spokeswoman for Mr. Perot said he was "delighted" with the criticism. adding, "It's going to be very positive for our book sales."

Eastern Elite Still Strong in the Capital

in the Clinton administration than in prior governments, but the Eastern elite that has run the country lo these many years continues to do so. according to a recent study.

WASHINGTON - There may be many more women and minorities

In fact, when they were selected, 80 percent of key appointees were denizens of the Washington-Boston corridor or the West Coast and fully one-third attended Harvard or Yale or both at some point, according to an analysis of President Clinton's first 518 appointees done by Knight-Ridder Newspapers.

The percentage of female appointees has hit 36 percent, a 50 percent increase over the Bush administration, which had held the record. Twenty-two percent of the appointees, an all-time high, were from minorities. More than half of the appointees came from Washington or its

Quote/Unquote

President Clinton wondered aloud to a group of American Nobel laureates what it would be like to receive a Nobel Prize. Dr. Edwin G. Krebs, a co-recipient of the award in Physiology or Medicine, replied, "A (AP) big surprise."







WASHINGTON - Representative Newt Gingrich, Republican of Georgia, used a politi-cal organization he beads to help plan, solicit donations for and market to Republican groups a college course he will teach this autumn. The seeking satellite sites from groups such as the College Republicans.

Mr. Gingrich is general chairman of GO-PAC, which funds some of his political travel relationship has faculty at Kennesaw State College questioning whether the course is political and tries to recruit and belp Republican candi-Documents show that officials from GO-

Some 40 members of the college faculty questioned the political overtones of the course last week before becoming aware of the GOPAC involvement, which the Atlanta Constitution disclosed Thursday, Helen Ridley, a political science professor, said the original concern was "whether the college was an appropriate forum for a political leader to advance his own politi-

tor, became the course project director for the college in June. Another GOPAC official and a Gingrich pobical operative joined the college through the state public records payroll as well, with one of them responsible for office and furnished them to the Constitution and The Washington Post.

In an interview, Mr. Gingrich, the House Republican whip, defended the course, which he calls "Renewing American Civilization." He said he was oot being paid to teach it. His plans, including the hiring of staff and buying satellite time, will cost about \$290,000, of which he already has raised about \$170,000. He turned to GOPAC for help because "they're the best fund-raisers 1 know.

The course is designed to find ways to replace the welfare state in America, Mr. Gingrich said, and it has attracted belp from coted academics. "If it starts a debate on a serious level, what's wrong with that?" Mr. Gingrich asked.

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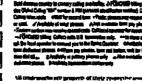
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BANGKOK - The long-delayed opening of a new expressway caused more chaos than relief in traffic-choked Bangkok on Friday, with some drivers boycotting the

road in protest against higher tolls. The road was mostly empty of traffic Friday after the state-run Expressway and Rapid Transit Authority of Thailand used a court order to force its opening on Thursday against the will of the builder, Bangkok Expressway Co. The transit authority and the huilder are in a dispute over how to share the toll

The transit anthority had obtained the court order on the grounds of national emergency. It cited anooymous threats that failing to open the road might incite

The road has been virtually completed for five months, but its opening was delayed by the dis-pute. Some foreign analysts said that the government's move to force it open was likely to hurt

Thailand's image.

Drivers who called a traffic radio station said they would boycott the \$1 billion project to protest a 30 baht (\$1.20) toll imposed from Thursday on both the new expressway and the older one to which it connects. The toll on the old road was 15 baht.



Michael Jackson arriving Friday in Tainei on his concert tour.

Singer Betrayed Trust, Lawyer for Boy Says

Compiled by Ow Staff From Dispatches BEVERLY HILLS, California - A lawyer for the boy who has accused Michael Jackson of molesting him said the entertainer had betrayed the boy's trust and deserved to end up in

"My client wants to have his day in court," said the lawyer, Gloria Alired. "He wants the truth to come out. He is ready. He is willing. He is able to tes-

In the first public comment from a representative of the 13year-old boy, the lawyer said her client "has been brave enough to tell a therapist what happened to him." She did not

say what that was.
Sources and documents have stated that the boy alleged that Mr. Jackson sexually abused him during a four-month rela-Those allegations prompted a

police investigation of Mr. Jackson, 35. He has not been charged with any crime and has ied wrongdoing The singer, who is on a world concert tour, arrived in Taiwan

on Friday for two perfor-"Many people love and trust Michael Jackson," Ms. Allred said. "Our client loved him and trusted him as well. Unfortunately that trust has been de-

She said she had many questions that needed answering.

adult, repeatedly sleeping in the same bed with a voung boy?" she asked. The boy contended that Mr. Jackson often shared a bed with him during their relationship, according to docu-

Ms. Allred said that her client's story had not been told since the affair erupted and that the boy had been subjected to a "feeding frenzy with the media getting their food only from one side of the table."

She lashed out at Mr. Jackson's representatives, who have asserted that molestation was alleged after Mr. Jackson spurned an extortion attempt by the boy's father.

"The question is," she asked, "should Mr. Jackson be held to the same standards of conduct as any other person, or does he think, and do his assorted wise men and front men think, that Mr. Jackson should be above the law?

Mr. Jackson's sister, LaToya, said Thursday that when Mr. Jackson had lived at the family home he used to spend nights in his room with young boys. "We really don't know" if the sexual abuse allegations against him are true, she said.

Bot she said in a televised interview that the public had been unfair to her brother. "I stand by him 1,000 percent," she said. (AP, Reuters)

For Hong Kong Reform Alone, The Legislative Council c

Chris Patten, brushing aside warnings from Beijing, said Friday that Britain would press ahead alone with democratic reforms for Hong Kong with or without China's

"If we can't get an agreement, we would have to discharge our re-sponsibilities before 1997," Mr. Patten said at a news conference "It is a point that has been both implicitly and explicitly recog-nized" by Foreign Minister Qian Qichen and other Chinese officials,

Mr. Patten said.

To April, Mr. Patten had the colony's Legislative Council postpone consideration on the main reform bill to allow Chinese-British talks

on the issue to go ahead.

But the past nine rounds of talks have failed to ease Beljing's fury about his proposal, which would allow the people of Hong Kong to elect, directly or indirectly, the majority of the legislature for the first time in 1995. Those would be the time in 1995. Those would be the last elections under the British flag.

directly elected. Beijing's plans for islative procedures must be started the territory do not envision a legislature with a directly elected major-

China which reassumes sovercignty over Hong Kong in 1997, has vociferously opposed Mr. Pat-ten's plans, asserting they would violate all Chinese-British agree-

Beijing has been deeply suspi-cious of Britain's motives in trying to widen the electoral base in the 1995 elections. Beijing-controlled media have portrayed the plan as a

media have portrayed the plan as a British plot to retain influence in Hong Kong after 1997.

Mr. Patten said London remained keen on reaching a settlement with Beijing that would deal with the principal issues. "The discussion is about whether the democratication which has already mocratization which has already been agreed should be credible and fair," he said. "Whether it should fair," he said, "Whether it should former Soviet Union by giving pri-provide as with a legislative council ority to economic reform," she in due course which is credible or said. "But the end result will be which is nearly a puppet."

■ Thatcher Is Optimistic

The former British prime minister, Margaret Thatcher, said Friday in Malaysia that China's economic reforms were irreversible and would help spur democracy in the world's most populous oation, Reuters reported.

"I do not believe it is possible to turn the clock back on economic reform even if anyone should want to do so." Lady Thatcher said in a speech to local and foreign bush ssmen in Kuala Lumpur.

She said Communists could denounce democracy but, as recent evenus had shown, democracy followed economic freedom sooner or later and "no one can stop it."

"China is clearly following a dif-ferent route to democracy from the greater freedom.

Vatican Envoy Sees 'Great Meaning' in China Visit

issary officially invited to China said Friday that his visit had important implications for relations campaigner often used by Beijing between the Holy See and Beijing. as a conduit for information on

The envoy, Cardinal Roger Etchegaray, said his mission had

real progress could be made. For- cy. mal ties were broken off in 1957.

BELJING - The first papal em- Catholic lay leaders from prison. According to John Kamm, a U.S. businessman and buman rights

China and for the Catholic nior Chinese government and Communist Party official" on Fri-The French prelate, who is ex- day, Mr. Kamm said by telephone pected to discuss Chinese-Vatican from New York, He added that he relations with top officials, said saw oo reason to doubt its accura-

Cardinal Etchegaray said shortly

said it had released two Roman my presence at the opening of the seventh National Games on Saturday, I think that my visit to Beijing has a significance which is imposs hle to assess at the moment."

> The cardinal is officially on a private visit to take part in China's National Games, which Beijing is using to help promote its bid to be host of the 2000 Summer Olympics, or if they included a representative

But the cardinal, who made a semi-official trip to China in 1980, is a top ambassador of Pope John Paul II, and this trip is considered a breakthrough after 36 years of animosity between the church and would like to visit China as soon as recognize Taiwan before relations China's Communist government.

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man of the games, Sports Minister Wu Shaozu

"I came back to China by the door of sports," the cardinal joked. He said he would stay in China "three or four days" and "have meetings at a high level," but did not say whom he would be meeting,

He also declined to say if a possihie visit to China by the Pope would be discussed. The pontiff said in June he

of China's official Catholic church.

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The cardinal's host is the chair- month it hoped to normalize relations with the Vatican.

> After the Vatican dropped its recognition of China it established ties with Taiwan, and China in turn created its own "patriotic" church, which now has about 3 million fol-

An equal number of Chinese are thought to be loyal to the Vatican, but they must worship clandestine-

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GREAT BRITAIN

Ties between the Vatican and China have intensified in recent months, but China has continued to insist that the church cease to possible, and Beijing said last can be formalized. (AFP, AP)

It's Official: Sihanouk to Return As King 38 Years After Abdication

PHNOM PENH -- Prince Norodom Sihanouk, Cambodia's interim head of state, will again become king, 38 years after he abdicated to enter politics, the country's joint leaders said Friday.

"My father will be king." Prince Norodom Ranariddh said after returning from talks with his father in North Korea over whether Cambodia should return to a constitutional monarchy. Prince Ranariddh is one of two chairmen of Cambo-but the party led by Prince Ranar-dia's interim government, along iddh objected and said it would with Hun Sen.

Mr. Hun Sen appeared upset when the two arrived at Phnom Penh's airport. With a grim expression on his face, Mr. Hum Sen turned to reporters and said "monarchy" before getting in his car and

speeding off.

Prince Sihanouk, 70, was appointed head of state after a UNorganized election in May brought son's political party to power, variety of positions from his appointment as king in 1941 — when

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marit, and became a perennial figure of Cambodian politics with the title of prince.

Twelve members of the constituent assembly, elected in a UN-ornized election in May, had created a draft constitution that did not call for a constitutional monarch, allow Prince Sihanouk to choose.

UN officials and many of the remaining members of the constituent assembly have complained that they were not allowed to see the draft and wished they had been given a chance to review it before it was given to Prince Sihanouk for

Prince Sihanouk did not run in the UN-organized election, the cornerstone of the largest UN peace-He had ruled the country in a keeping operation ever, costing \$2

Although many UN officials see

Cambodia was a French protector-ate — until he was ousted in a sole unifying figure, many also be rightist coup led by Lon Nol in 1970. He abdicated in 1955 in favor on him would be a step backward lieve that bestowing royal authority of his father, King Norodom Sura-marit, and became a perennial fig-fort to build democracy here.

"If the king was to be a real king, be must not be involved with politics," Ahmad Yahya, a lawmaker from Prince Ranariddh's party, said Friday. "Eighty percent of the national assembly wants a demo-cratic constitution."

The constituent assembly is to debate the issue next week, but nobody is expected to contest the creation of a constitutional monarchy for fear of retribution from Prince

During Prince Sihanouk's year in power, he exhibited little tolerance of criticism, and historians of the period say his secret police treated opponents harshly. He generally kept tight control of the natioo's press.

The new constitution is expected to be adopted before Sept. 15, when

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MIDEAST TALKS / 'A GREAT HISTORIC MOMENT'

Among Jews in America There Is Hope for the Best, Fear of the Worst

By Richard Bernstein

New York Times Service New York Times Service
NEW YORK. — For Steven Spiegel, a
Middle East historian at the University
of California, Los Angeles, the prospect
of a peace agreement between Israelis
and Palestinians is the kind of thing an
analyst lives for: what he calls "a great
historic movement."

"My God," be recalled saying to himself when be heard reports that negotiators were close to an agreement. That does it. This is the opportunity for the Middle East to make it into the 21st century. It now has a chance not to be a backwater. Israel has a chance to realize ts potential to be the Singapore of the Middle East."

Across the country, as American Jews followed the progress of talks between Israel and the Palestine Liberation Organization, there was plenty of hope that at long last the Middle East could be at the nning of a new era.

cities indicated a wide range of reactions. Perhaps the dominant one was a doing something for which I, as an kind of hardheaded optimism, a feeling that recognition of the PLO and establishing relations with its leader, Yasser Arafat, was risky but promising.

But there were voices of caution, even a powerful sense of foreboding over a step that, some felt, was so fraught with uncertainty and danger that it was a mistake to be taking it. "I think that the Jews think that they

can solve the Arab problem, and f think that that is a terrible mistake," said Ruth R. Wisse, a professor of Yiddish and comparative literature at Harvard Uni-

Ms. Wisse's concern is that in dealing with Mr. Arafat the Israelis are, in effect. intervening in Arab politics, choosing the PLO chief, whom she called "a killer," tn be the leader of the Palestinians in the West Bank and the Gaza Strip.

bear responsibility, she said. "It's the

If things go wrong it is Israel that will

American Jew, would not like to bear

moral responsibility," she said. For American Jews the possibility of peace gave rise to a sense of great portent that the world as most have known it could possibly soon change, for the bet-

Mr. Spiegel of UCLA, for example. said that if an agreement with the PLO was reached, it would be the equivalent of the third Zionist revolution, after the formation of the movement in Europe in the 1890s and the creation of the state of Israel in 1948.

"It's more than the Berlin Wall, because a whole range of political relations that were seen as inconceivable have now become possible," he said, looking beyond Israeli-PLO relations to the possible normalization of relations between Israel and such countries as Syria and

Enmity between Israel and the Pales-

idea of that enmity's coming to an end status quo with its endless cycles of war, was difficult to grasp. Indeed, that fact terrorism and hostility."

alone probably contributed to the exis
Offering the alternative, far more pes-Jewish organizations, seemed the major-

David Harris, the executive vice president of the American Jewish Committee, called the looming agreement potentially momentous.

"It may represent the first breakcentury," Mr. Harris said, "and it creates a certain optimism."

There's a great deal of confidence in the Rabin administration," he said, war."
speaking of the feeling that Jewish organizations have for Prime Minister YitzPalestinians have finally decided to

theme of recent history that for many the alternative of simply maintaining the sault."

tence of two opposed analyses of the simistic view than the one prevailing in possible foture. One, a cautious optithe major Jewish organizations was Normism shared by the leaders of the major man Podhoretz, the editor of Commentary magazine, who worried that the deep desire in Israel for peace might be leading Israelis into a posture that, paradoxically, would require farzel to fight

"This is the first step toward the estabthrough on the Palestinian front in a think will happen sooner rather than later," Mr. Podhoretz said. "And far from being a cause of peace and stabil-

hak Rabin of Israel. "I think that Israel adopt the so-called phase strategy, which feels now that the risk of aggressive calls for getting a foothold to begin with. peacemaking presents more opportunity a state in Phase 2, and then using the

Most people were ready to assume that the Israelis were in the best position Offering the alternative, far more pes- to judge their own needs, and others expressed deep concerns about the ultimate intentions of the Palestinians and other Arabs.

When Haskel Lookstein, an Orthodox rabbi in New York, heard of the possible breakthrough in Israeli-Palestiman relations, it was a biblical reference that

"I felt that if Isaac and Ishmael, the lishment of a Palestinian state, which I ancestors of the Jews and the Arabs, were unable to live in the same house 4,000 years ago, it is not preordained that they shouldn't be able to share the ity, I think it will be the cause of another same section of the world today," said the rabbi, of Congregation Kehilath run in Manhattan.

"If this was a first step toward that sharing," he said, "it would bring a hless-

feelings of many of those interviewed. stressed the uncertainty involved. Indeed, few people voiced any abjection in principle to coming to terms with the PLO. Few opposed the principle of land for peace or of some form of self-rule for stinians in Gaza and the West Bank, But many also said it was impossible to know what the consequences would be if Mr. Arafat was given an official foothold

"Some people and newspapers are making an interesting parallel to the collapse of the Berlin Wall, but there are real security issues here," Rabbi Lookstein said. "Basically, the PLO has always been committed to the destruction of Israel and, without wanting to use a cliché. I have to say that Israel can't afford to make a fatal mistake."

"So," the rabbi said, "people in my congregation feel that, yes, it's a very hopeful first step, but the real issue is what are the next steps going to be?"



President François Mitterrand of France and Mr. Peres after their meeting Friday in southwestern France.

'Complete Peace Very Near,' Peres Says

- PARIS - Foreign Minister Shimon Peres of Israel said Friday that a Palestinian self-rule agreement for occupied territories and mutual recognition between Israel and the Palestine Liberation Organization were separate issues that did not require simultaneous signing.

He also said that an accord between Israelis and Palestinians could be a catalyst for other talks. including with Syria, and predicted that complete peace was at hand.

"We are very near in complete seace." Mr. Peres said after a threehour meeting with President Francois Mitterrand at the latter's country home in southwest France.

"It is the only way out for the Arabs, for us and for the world, f am convinced we will reach it," Mr. Peres said. "The peace between us

into peace for the entire region."
He gave no timetable for signing the accord for Palestinian self-rule in Gaza and Jericho or for mutual recognition between Israel and the

said, adding that Israel would contribute. Mr. Mitterrand said that
bolding peace talks in Washington. Paris would "very positively" view

the focus was. France has played a mediating role in the Middle East

Evidence that such concerns remain were underscored by the pres- a visit to occupied areas by Yasser

and the PLO must be transformed into peace for the entire region."

He gave no timetable for signing months of secret talks that led to such as the mutual recognition is the plot as the plot as

A spokesman for the Norwegian Embassy confirmed the unac-"I hope very much that it will Johan Jorgen Holst, but said it had

orway to he In an interview on French radio,

Mr. Peres reiterated that the autoo-It was not known if the meeting omy accord could be signed before resolved any difficulties or what

"There are two separate issues," he said. He also said that Israel opposed

Asked if Mr. Arafat and his asso ciates could then establish themselves in Jericho, Mr. Peres said: "If there is recognition, yes. Other-

Asked if last month's initialing

"Yes and no. There is a differcace between formal recognition and the current situation." He said mutual recognition meant the PLO would have to denounce those parts of its charter calling for the destruction of the state of Israel as well as pledge itself to peace and an

GAZA: Dreams of Independence Yield to Grim Reality PLO:

tinians as suspected collaborators.

In many cases, the victims were brutalized, and the executions carried out to settle fends or other

Still, the peace agreement with Israei has generated a surge of en-thusiasm and hope that Israel's 26year occupation of Gaza is about to

In a survey by the East Jerusalem newspaper An Nahar, 70 percent of those questioned in Gaza approved nf the Gaza-Jericho option, compared with only 45 percent in the West Bank, where Jericho is situated. Many Gazans share the hopes of Zaher Bedir, a 27-year-old bar-ber, who said it would "at least get us out of the occupation and the poverty we live in."

The agreement with Israel calls for the army to start pulling out of Gaza's urhan centers in fnur months. The military government that runs day-to-day civil affairs will dissolve and the functions will be turned over to Palestinians. A Palestinian police force is to control the streets.

In nine months, elections are to be held for a new Palestinian council. If the experiment works, it will later be expanded in the West

But what sounds orderly on paper looks more like chaos on the ground. Judging from the early reactions to the agreement, a destruc-tive internal conflict seems possible between the predominantly secular, nationalist PLO, which has now made a deal with Israel, and

the militant Hamas, which rejects are also on the march. "Yesterday, any accommodation with Israel, the West Bank and Gaza," said Although many Palestinians recoil at the mention of a civil war, there are already hints of interne-cine conflict, such as the attack on the peace rally.

In theory, at least until elections are held, the early period of self-rule will be dominated by the PLO. which will have to control and

shape this strip of coastline. The PLO chairman, Yasser Arafat, has said the Palestine Liberation Army - about 5,000 fighters dispersed among Arah states will be brought into Gaza and Jeri-cho as the new Palestinian police force. Thiab Loub, a political organizer here for the PLO, said, "We

will do our best to avoid conflict." But Hamas and other militants who oppose the peace agreement

57% of Israelis Back Autonomy Accord

JERUSALEM - A majority of Israelis - Jews and Arabs alike - support the Palestinian antonnmy accord starting in the Gaza Strip and Jericho, according to an opin-ion poll published Friday,

The survey for the Yedioth Ahronoth newspaper showed 57 percent in favor, 40 percent against, and the remainder with no opinion on the agreement, which the Israeli cabinet approved Tuesday.

read graffiti on the walls in Gaza on Thursday. Today, just Gaza Jerichn. What is going to be tomor-row? The intifada continues! The

struggle continues against occupa-At the Islamic Society here, Abu Abed, an Islamic judge who settles disputes between local residents, said that if the new Palestinian governing authority "will govern ac-

cording to the laws of God, then all of us will be behind this authority." But, he added, "if this authority will try to govern the people by fire and iron, for sure the people will fight it"

"I would like to see people living under the shadow of a real Islamic government," be said, holding up a Koran and insisting that Palestinians should adopt strict religious law —as is the case in Saudi Arabia - rather than secular laws governing most Arab states.

Hassan Deeb, a teacher who is a member of the board of the Islamic Society, said Hamas totally rejected the PLO-Israeli agreement

"The whnle agreement is wrong," he said. "We want all of Palestine, nnt just a piece of it. There is no Israel. There is Pales-

tine, only. Beyond that kind of opposition, the new Palestinian self-rule an-thority, if it ever becomes a reality, inherits other giant headaches, such as poor health care, a water and sanitation system that the United Nations says is in critical condition, and an economy that has serious problems.

Arafat Pleads

Continued from Page 1

ing aides, said a meeting of the Palestine Liberatinn Organization's Executive Committee would take place almost immediately after the Fatah meeting, and possibly as early as Sunday. There, Mr. Ara-fat is expected to face more intense opposition from Syrian-based Palestinian hard-liners such as Genrges Hahash and Nayef

Although Mr. Arafat expects to be able to nail down enough support for the limited-autonomy plan so that it could be signed as early as next week, Palestinian sources said the question of reaching mutual recognition with Israel was much

Acknowledging that recognition has emerged as a trickier issue, For-eign Minister Shimon Peres of Israel said in France on Friday that could not take effect right away even if mutual recognition "takes another few days.

Syria Praises Israel

Syria on Friday praised Israeli seriousness in the talks and held out the prospect of a "firm, solid, real, honorable, just and comprehensive" peace agreement, Renters

reported from Damascus. A commentary on the state-controlled Damascus radio repeated Syria's demands for a complete Israeli withdrawal from Arab land occupied in the 1967 war and said Syria would oot allow Israel to

happen in a few days," he said oo details. "It seems the game is not New peace talks for Bosnia There is a lot of determination, yet over," the spokesman said. of the self-rule accords between Is-Negotiators for Israel and the racli and PLO officials in Oslo did Success will require meeting Pal- PLO met for months in a secret not in itself represent Israeli recog-

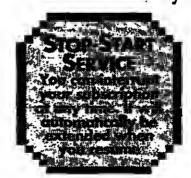
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Economics of Re-election

The economic strategies of American presidents are usually set early in their terms. In the budget review published this week, President Bill Clinton laid out the forecast on which he hopes to run for re-election. His next great project, bealth care reform, will strongly affect the outlook, but chiefly in the years after 1996. The passage of his budget, with its promise of lower deficits, has now set the course - he bopes - for the next three years.

It translates, according to his economists, into a slow but continuous decline in unemployment and a slight rise in inflation. If it actually works out that way, he will be in a considerably better position in 1996 than President George Bush was last year. But will it be sufficiently better to secure the election?

ft is a forecast for consistent but moderate growth, far less than some of his own party want to see. At the time of last year's elec-don, the unemployment rate was 7.3 percent. It fell to 6.8 percent in July and the White House expects it will be around 5.9 percent in 1996. The other key factor in election economics, the inflation rate, was around 3 percent a year in November and, according to the forecast, will drift slowly up to 3.5 percent over the next three years.

Of those two rates, unemployment is always more important in politics, as long as inflation stays low. But when inflation approaches 5 percent, it overshadows all other indicators and generates widespread hostility toward the incumbent administration. In his first two years in office Mr. Bush was up in the danger zone even before Iraq invaded Kuwait, sending oil prices leaping upward and upping the country into recession. Between infladon and recession, there was no point in his term at which Mr. Bush seemed to have the economy on an even keel.

While Mr. Clinton does not promise any

sudden or dramatic changes in the economy's performance, he can argue plausibly that he has got it stabilized and that things will gradually improve. Unless, of course, some unpleasant surprise knocks his forecast askew. His budget director, Leon Panetta, cites three major risks: Inflation may go higher than anticipated; longterm interest rates may rise faster than the forecast suggests; and conditions might get worse among the industrial countries that are the big sustances for IIS the big customers for U.S. exports. Of those three risks, the third seems most imminent with slow growth in Japan and a severe decline in Germany. The forecast depends on much that American policy cannot control.

- THE WASHINGTON POST.

Defense: Cut the Padding

With its only superpower enemy having retired from the global battlefield, does a fiscally strapped United States still need to spend more than \$1.2 trillion over the next five years for defense? It is hard to see why. But that is the number on the bottom line of the Pentagon's new "bottom up review," un-

veiled by Secretary of Defense Les Aspin.
By cutting perhaps \$120 billion more than
the Bush administration had planned over the five-year period and scrapping some of the forces and weapons aimed solely at the nowvanished Soviet threat, the review makes a modest start at adjusting defense budgets to new international realities. But the start is too

modest to do justice to competing fiscal needs. Sure, it's still a dangerous world, and it would be reckless and economically disruptive to abruptly shrink America's defense effort to the levels other countries consider comfortable, One reason most U.S. allies spend less is that they count on America to spend more.

The Pentagon document's greatest merit is that it usefully reorients U.S. strategy away from confronting the vanished Soviet Union toward more plausible regional threats, and scraps a handful of weapons programs that no longer serve any realistic purpose. But then it ingeniously totes up the costs of fighting regional wars with conventional weapons in ways that make them nearly as expensive as facing down the thermonuclear weapons and intercontinental missiles of the old Warsaw Pact. One reason for the high costs is Mr. Aspin's determination not to give allies a veto on whether the United States takes military action against regional aggressors like Saddam Hussein or, potentially, North Korea's Kim Il Song.

Given the Europeans' performance on Bosnia, the secretary's concerns are understand-able. But U.S. allies are not likely ever to be induced into more constructive multilateralism if Washington budgeters continue to offer them a free ride.

Besides assigning too much of the regional-conflict burden to American taxpayers, the Pentagon's program keeps alive a number of no longer needed weapons programs. The acknowledged reason is to keep production lines in place, preserve defense industry jobs and ease economic pressures on military contractors. For example, the main rationale for building a third Seawolf attack submarine, at \$2.4 billion, and a new nuclear carrier, at \$3.6 billion, is to keep affoat the Connecticut and Virginia shipyards that construct them.

This seems to reaffirm the old political truth that defense lobbyists have a much easier time protecting their endangered programs than do those who press for public investment programs. Last month, administration initia-tives like youth apprenticeship, college mition aid and even adjustment assistance for those thrown out of nondefense jobs were cut sharply to meet budget reduction targets.
President Bill Clinton's obvious political

need is to avoid further disaffection in states like California, Connecticut and Virginia, already hard hit by base closings and procurement cuts. But slighting more critical national needs is no answer.

Mr. Aspin's handiwork needs to be re-reviewed by the White House and Congress. The security of America depends on a realistic defense budget, not a padded one. -THE NEW YORK TIMES.

That Heavenly Rhetoric

Is Shakespeare truly the ruling genius of English literature, or was he just another writer? Is the insistence on teaching Shakespeare to schoolchildren merely a sinister plot to bolster the agenda of the right? Was Shakespeare a misogynist? A bourgeois hegemonist? An apologist for imperialism?

If you, gentle reader, don't have an opinion on any of these questions, never fear: Academics, a whole raft of them, have plenty. Together they have created a publishing mini-industry that has lately been labeled the Bardbiz.

Did you think "King Lear" was about a relationship between father and daughters? Please, ft is really about "new forms of social organization and affective relationships." In your naïvete, did you believe the sonnets to be a great fistful of small gems, to be taken out and examined from different angles over the course of a lifetime? No, no, no. They merely "articulate the frustration of language's indetermina-cy." And of course "The Tempest" is merely an

allegory about colonialism. We all know that. It is kind of nice that so many self-important people are paying attention to old Will, genius or not. But what does il mean to most of his hardy and doggedly loyal fans, who merely wish to keep turning up to drink in the delights of his spoken lines?

eventually into school curriculums - with the result that Shakespeare will be taught or not as an optional extra - just another writer?

in a derelict building in Portland, Oregon. Let the academics prattle. They're a bunch of myopic spoilsports who miss the point entirely

- THE NEW YORK TIMES.

Will the pinched pronunciations of these few critics trickle down to their students and

ft is a privileged but shrinking group who had at least one play, at least one somet, drummed into their beads as adolescents. They still go forth and find magic from that source. Maybe one was Gus Van Sant, who used "Henry IV, Part I" as the basis for his quirky film "My Own Private Idaho," in which Elizabethan lines, word for word, issued credibly from Mr. Van Sant's characters

Shakespeare stretches gracefully from the Globe to Portland, picking up new converts every hour. He needs no further defense.

Other Comment

Mideast: The Timing, the Stakes

Did Israel wait too long to negotiate with the Palesone Liberation Organization? The PLO isn't what it was when Yasser Arafat, supported by the treasuries of even the most moderate Arab countries, brandished an olive branch in one hand and the weapon of international terrorism in the other. Is the PLO that Israel is ready to recognize still a valid negotiating partner? The PLO, on the verge of breaking up, has been passed up at the grass roots by Islamic extremists, well-financed by Tehran. Who's going to police the new autonomous province of Gaza? Let's not talk about terrorist acts. If they return at any level at all, the Israeli Army will come quickly by helicopter.

- Le Figaro (Paris).

The agreement reached between the PLO and Israel is too important to be reduced to "Realpolitik." Israel is not simply a state. At stake are factors that affect the international political equilibrium and the destiny of entire peoples. It is not a question of "simply" redefining territorial boundaries and policial sovereignty, but of imagining, of inventing, the key to the relationship between great strategic areas, between worlds which have been in conflict for centuries, between cultures and languages. The balance among the Mediterranean religions, and therefore between the Western and the fslamic world, passes through this region. What becomes of us will be decided in great part by what the tragically inseparable Jews and Palestinians decide.

- L'Unità (Rome).



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Parallels To Earlier **Jungles**

By Jeane Kirkpatrick

EW YORK — Is it impossible for people to learn from the experience of others, for one generation to learn from those who came before? Have the leaders of the Western world forgotten the famous lessons of the century — of Munich and of Vietnam? There are no perfect historical analogies. But personality types and behavior patterns recur and this makes the lessons of one retirecur, and this makes the lessons of one peri-

od relevant and useful to the problems of the next — as the experience of Munich relates to

Bosnia, for example.

The deal cut by Britain and France at Munich on Sept. 28, 1938, and forced by them on a reluctant Czechoslovakia, which led directly to Hitler's further aggression, is not cacity like-the deal worked out by Lord David Owen and Thorvald Stoltenberg and urged on unwilling Bosnians. Serbia is not Germany, and Slobodan Milosevic lacks some of the pointed skills of Adolf Hiller.

Still, these events have much in common. At Munich, Western powers formally accepted the dismemberment of a Central European state and offered international guarantees even as they urged on Czechoslovakia surrender of territory and defensibility. The deal was done by honorable, well-intentioned men. They longed to preserve a semblance of peace and believed that territorial conces-sions would appease the expansionist, nationalist Nazi government, whose leader was no-table for extremism, chanvinism, religious intolerance and violence.

The French news magazine Le Point recently noted the similarity between Nazi and Serbian governments and leaders and wrote that Mr. Milosevic has, by his record of rapes, murders, torture and mass deportations, "earned a place for himself among the great villains of the century — Hitler, Mussolini. Stalin." He is also, it notes, the big winner in

Yugoslavia's civil war. Western diplomats again are ready to recog-nize borders changed by force and to coerce victims of aggression into accepting their coun-try's dismemberment. Again the Western negotiators offer guarantees that the new borders will be respected more than the old.

Will the appeasement of Mr. Milosevic prove not only dishonorable, but as unsuc-



cessful as Munich in pacifying a Central Eu-ropean nationalist the world finds difficult to take seriously? Will Western guarantees of indefensible Bosnian borders prove no more reliable than Western guarantees of defense

a truncated Czechoslovakia? Yes. Will the experience of appearement demor-alize France, Britain, the European Community and NATO as surrender to Hitler's demands emoralized Western governments in 1938 and 1939? Will it undermine their credibility and

encourage further aggression? Yes.

Respect for the lessons of Munich and under-Respect for the lessons of Minneh and under-standing of the folly of appeasement guided U.S. leaders from Harry Truman through George Bush. Does Bill Clinton, a man of a different generation, understand Munich's lessons? What would be do if be desired to act on the basis of those lessons? Certain things are clear.
We should not speak or act as if neutral

between aggressors and victims of aggression. We should not acquiesce in the acquisition of territory by force, or reward "ethnic cleans-ing," or enforce boundaries established by ethnic cleansing" and force.

We should use U.S. or NATO air power whichever seems more feasible - and, acting under Article 51 of the UN Charter, break the sieges and end the devastation imposed on Muslims by Serbian forces. We should block the flow of weapons, ammunition, fuel and foodstuff from Serbia into Bosnia.

We should not send thousands of U.S. ground troops to enforce an unjust settlement. Such open-ended deployment of forces in an enterprise with ambiguous goals, and which is opposed by the indigenous popula-

tion, is extremely imprudent.

That brings me to the second great learning experience for the United States in this century - Vietnam. Mr. Clinton's commitment of U.S. troops to Somalia raises serious questions about whether be has studied the lessons of his generation's war.

The Vietnam War — like America's new

commitment in Somalia - was born of bonorable motives and dedicated to serving principles of nonaggression. But before it was over, Americans had learned that it was a terrible mistake to try to remake a culturally and geographically remote country, to rid it of a disliked leader and to install a different one. And before that long, frustrating, war had ended, the American military had learned

that minimum force and proportionate re-sponse do not work and cannot win at what, for Americans, are ucceptable costs. The clearest lesson of Vietnam was that decisive force should be present in any future conflict

to which American troops are committed.

Somalia is not Vietnam. There is no outside power ready to provide a flow of arms and ammunition. But nation-building in an unfa-miliar society is still an impossible task. And a quagmire is still a dangerous place.

Arnold Toynbee wrote that the tragedy of

Neville Chamberlain and his colleagues was that "it lell to them to act, in positions of bigh responsibility, in a jungle world that was irreconcilable with the civilized world in which they had been brought up. They were in their element in domestic social reform.

They were bortified by the brutal world which had now suddenly and unexpectedly closed in round them."

Being a nice man committed to domestic social reform is no guarantee of success in international politics. President Clinton should be very careful or he will flunk the test on the lessons of history.

O Los Angeles Times Syndicate.

Why Run This Heart-Stopping Risk?

N EW YORK — Phase One: cre-ation of a Palestinian state controlled by the Palestine Liberation Organization. Phase Two: use of that state to carry on the struggle until "all Palestinian territory," which means Is-rael, is under Palestinian domination.

For a quarter-century that has been the two-phase policy of the PLO. Sometimes it is stated formally—as at the PLO Cairo meeting in 1974. And day after day it has been proclaimed one way or another in PLO speeches to the Palestinian people.

History shows this was not bluff but passion. Once, the Palestinians could have had their state for the asking — under the UN partition plan. Rather than accept the price, living with Israel, they entered a halfcentury of warfare - military, political, economic and terrorist.

That is why one Israeli government after another, Labor and Likud, warned that creation of an independent Palestinian state was a step toward Armageddon. And I suppose that is why so many Israelis developed the habit of following the phrase "Palestinian state" with another — "God forbid."

Now the Labor government is fol-lowing a path that must inevitably lead to creation of an independent Palestinian state — in five years at most likely a lot less.

For awhile Labor may deny this inevitability. But a government that is recognized by its enemy, that has control over land and over its own internal security as stated in the PLO-Israel agreement, that governBy A. M. Rosenthal

ment is a state. The world would logically accept that reality.

Why the accept ance by Israel of a state run by a terrorist organization that has slaughtered Israelis at home and abroad — and that is on its last legs because its leaders have made one idiotic decision after another?

The Israeli opposition charges that Prime Minister Yizhak Rabin and Foreign Minister Shimon Peres are sacrificing their people's safety and freedom for political advantage. it hangs in the air.

But those foreign supporters of Is-rael who are interested only in Israeli safety, not in which party rules, know that Labor leaders have fought as hard and long for Israel as Likud has. They have chosen this path with all its dangers because they believe that Phase Two can be stopped before it is ever launched That is the almost heart-stopping

risk they are taking. They believe the Palestinians and the Arab nations are now ready to settle for a West Bank Palestine — and end the fight there. Labor sees a different world around it. Palestinians no longer have

the Soviet Union for support. Arab states are tired of supplying Palestinians with money and arms. Fundamentalism scens a far greater danger to them than do the Palestinians. The first part of the understanding worked out between Israel and the PLO certainly is a good-riddance

deal for Israel — giving up Gaza. The price is clear — the emergence of a new Palestinian state on virtually all of the West Bank. The Rabin government is making

some assumptions that seem danger-ous to me. It must assume that once a PLO state is set up it will not be taken over by Hezbollah or Hamas or the PLO's own hard-liners, all sworn to fight to the death against Israel.
Other Israelis, and I, make an opposite assumption: that it will be easier for the fundamentalists to take over a

nice, neatly set-up little state, maybe even by free elections, than a scattered My heart leaps at the thought that

the Palestinians and Arabs have put Phase Two behind them forever. The promise of peace and anxity rises from that thought, like the around of a rose. But I hold back because I know that the Middle East is ruled largely by dictators and religious holy warriors

who care no more for what the people wish than the fascists they so resemble. Benjamin Netanyahu, the Likud leader, is demanding an election because Labor did not make clear its plans before the last election. With or without elections, the debate in Israel will be terribly bitter and hard. Already American commentary is labeling the Likud as pobtical cowards and Labor as political heroes.

The best gift American friends can give larged is to put away the political mudballs and listen more carefully to those on both sides of the most important decisions since the birth of Israel. The New York Times.

The Semitic Center Finds Grounds for All to Hope

By Rami G. Khouri

AMMAN, Jordan — The Palestin-ian-Israeli declaration of principles for peace, leading to initial Palestinian self-government in the Gaza Strip and the West Bank city of Jericho, deserves widespread support.

Flawed, secretive and vague as it may be, the agreement represents a heartening historical dynamic that the Middle East has not seen since the Zionist-Arab nationalist conflict started nearly a century ago: the self-confident assertion of the rational and bumanistic Semitic political center in a region long dominated by emotionalism, maximalism, militarism and fear. The centrist forces of Semitic com-

posure and realism - represented by the Palestine Liberation Organization chairman, Yasser Arafat, and the Labor Party-led Israeli leadership - have taken an enormous gamble. They enjoy the support of the ma-jority of their peoples, but they have to move decisively to translate daring hope into stable peace.

To many of us in the Middle East, the accord's self-evident vagueness and weaknesses are outweighed by its positive elements. It enshrines mutual recognition between Israel and the PLO, and allows Palestinians and Israclis to envisage peaceful coexistence in two adjacent national entities.

It confirms both sides' acceptance of a gradual, peaceful resolution of the Arab-Israeli conflict and provides a realistic alternative to the Middle East's gruesome cycle of death and destruction. For the Palestinians, it represents a first, if small and symbolic, rollback of the 20th century's Zionist-Israeli domination of Palestine. The procedural reservations raised by Palestinians and other Arabs are

accurate and valid. Mr. Arafat and his small circle of advisers are secre tive and autocratic, and Arab states like Jordan, Lebanon and Syria are deeply piqued about not having been consulted or informed ahead of time. Arab states that thought they were coordinating with one another before each round of peace talks now feel rather foolish. Jordan also feels that Mr. Arafat's secretive ways erode the trust that must underpin the current Jordanian-Palestinian peace negotiat-ing team and a future Jordanian-Pal-estinian confederation, and it resents

the region without being consulted.

Arab anger at how the accord was reached will dissipate in time, but

legitimate questions will linger.
Many Palestinians and other Arabs fear that the Gaza-Jericho formula institutionalizes Palestinian political weaknesses, fragmenting the integrity of the Israeli-occupied territories and bolding out little or no hope of further significant Palestinian gains. They worry that Israel's bilateral engage-

Arab anger at how the accord was reached will dissipate in time.

ment of the Palestinians could griev? ously dilute the concept of a comprehensive Arab-Israeli peace accord based on UN Security Council Resolutions 242 and 338.

The burden is also on the PLO to address Palestinian-Arab concerns about potentially serious issues like the status of Jerusalem, refugee flows, economic investment decisions, military security and political sentiments in the region.

If centrist Palestinians and Israelis

are to overcome the often violent opposicion they face, they should make every effort to assure that Israel's speedy military redeployment and transfer of authority achieve three things: First, the socioeconomic conditions of Palestinians in Palestine must be improved by investment and economic development, and a sense of hope and dignity fostered among Palestinians in other lands. Second, there must be ironclad con-

firmation that self-rule in the Gaza Strip and Jericho is only the initial phase of a larger diplomatic dynamic that will restore Palestinian national rights and return Israeli-occupied nds to Syria, Lebenon and Jordan. Finally, the Israelis must be convinced that now, having finally accepted the national reality and rights of the Palestinians, their nation can live in peace and security.

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The writer, a Palestinian-Jorda publisher and former editor of The Jordan Times, contributed this comment to The New York Times.

being assigned a future role in IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: France Isn't Alone

PARIS - The Figure says: "The Czar, by selecting the moment when the Kaiser, accompanied by the Prince of Naples, is entering Metz, to notify France that the Russian fleet is to visit Toulon, has proved that face to face with the Triple Alliance stands the Franco-Russian alliance. The Germans, Italians and English, who have been impres upon the French the political significance of the Italian Prince's presence al Metz, cannot doubl the significance of the arrival of the Russian Fleet. France is not alone in Europe."

1918: A German Retreat

PARIS — Reeling under Marshal Foch's smashing blows, the defeated German armies are now in full retreat from the Lys front to Rheims. The line of the Vesle has been abandoned over a distance of nearly twenty miles, and the Franco-American forces are in close pursuit of the ene-

my burrying northward toward the Aisne. The Germans are falling back in disorder and the French are breaking up strong rearguard resistance and taking large numbers of prisoners and capturing vast quantities of munitions and other stores.

1943: Italians Brace LONDON - [From our New York

edition:] The Italian press and radio took a note close to despair today [Sept. 4] and the people are making no secret of their fearful expectation of Allied attacks elsewhere on the Italian coast. Rome radio declared in an English language broadcast to Great Britain that Italy would accept any Allied demands "that could possibly sound just and practicable."
The radio also said: "Sudden attacks are possible, nay probable, against other parts of the peninsula, and the whole of Italy is exposed to future blows. Therefore, the whole of Italy is in a state of alert. Italians realize the truth of the situation."

On China, America Misses the Point

By Philip Bowring

WASHINGTON — Chasing chemical shipments around the world and trailing technology over the Karakoram highway between China and Pakistan may be good sport for the post-Cold War CIA. But there are growing concerns that the U.S. crusade against arms proliferation is counterproductive. Worse, by diverting attention to marginal issues, this wite, by therming attention to marginal testes, this bit of moral one-upmanship appears likely to damage what it is supposed to protect: the strategic interests of the United States and its major allies.

The sanctions against China for allegedly transfer-

ring M-11 missile technology to Pakistan is one case in which any benefits are likely to be offset by a sense of U.S. "bullying." The Russians, already smarting from the U.S. clamp on their missile sales to India, will see in the M-11 affair another justification for their own

increased military cooperation with China.

The Russians have already delivered Su-27 longrange fighters, and they are understood to have agreed to sell an array of advanced equipment. Just as signifi-cant, Russian experts, with or without official approv-al, are helping China upgrade its arms factories and fill gaps in its arms technology. The need for hard currency may be the main monvator in Russian arms sales, but mutual interest with China in being able to say "no" to the United States plays a part.

Next to the longer-term consequences of Chinese-Russian cooperation, the M-11 issue is almost irrelevant. The technical question of whether China has violated the Missile Technology Control Regime, which it has agreed to respect but has yet to sign, is marginal. China has a legitimate interest in its ties with neighbors. It is difficult to see how Pakistan's possession of medium-range missiles, even if they can extend the M-11's range, threatens any major U.S. interests. One could make the same statement about Iran. China has far more cause to worry about Islamic fundamentalism and the balance of power in Central Asia than

does the United States. Or consider the U.S. artitude on the Russian sale to India. Washington again intervened in a legitimate deal between two alies, which should be of no particular concern to anyone but Pakistan. Of course, it would be better if there were no enunity between India and Pakistan. But it is a fact of life. Neither India nor Pakistan is run by fanatics. Both already have nuclear capability and can deliver bombs by plane.

America's arm-twisting on marginal arms control

issues has brought it almost no gain. At the same time, it has encouraged Russian nationalists, a threat to U.S.-Russian relations; provided ammunition for Indian bureaucrats opposed to economic liberalization, which they can portray as a U.S.-inspired plot against Indian sovereignty, and added to Islamic world paranois that the United States will do anything to keep Muslim nations weak. And it has fed anti-U.S. sentiment in the Chimese Army — the likely arbiter of any succession struggle once Deng Xiaoping leaves the scene.

Nor do Washington's self-destructive instincts on this issue end there. The United States has infuriated Jakar-

ta, which it usually ignores, by refusing to let Jordan sell it some used U.S. F-5 fighter jets and interfering with an attempt to sell some belicopters to Iran. So it is not surprising to find U.S. allies like Malaysia indulging in crude anti-American rhetoric and conspicuously buying planes from Russia and armored vehicles from China. All this is endangering the real interests of the United States and its friends in Asia. Confronting China over marginal issues detracts from the important ones: Chinese cooperation in keeping North Korea out of nuclear mischief; providing enough arms to Taiwan to give it a sense of security; bolstering Russian-Japanese relations; and strengthening ties with countries in Southeast Asia.

The "threat" of Chinese arms sales is nothing compared with the threat posed by China's claim to the entire South China Sea. This claim, established in legislation passed last year, may be only theoretical. If not, it constitutes a direct threat to rival claimants to the sea's scattered islands and undersea resources, as well as to other nations in the region, such as Indonesia. The claim is a challenge to international navigation on the main see route between Japan and Singapore and the Middle East and Europe. China's law gives it the right to deny passage of foreign warships, although only a quarter of the shores are Chinese.

Instead of joining with other concerned countries in a vigorous rejection of China's claim, the United States has, however unintentionally, encouraged it. Last year in gave the green light to U.S. companies to take part in a concession given by China to explore for oil in an area between Vietnam and Malaysia! Moralizing over arms sales may make the Clinton

administration feel good; it may enjoy playing Globo-Cop. But those in Asia who rely on U.S. power and influence are aggrieved to see it dissipated while bigger issues get scant attention. International Herald Tribune.

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Posters of the Mann brothers in Buddenbrookhaus.

Lübeck Honors 2 Native Sons

By Douglas Sutton

UBECK, Germany -Now marking its 850th anniversary, Lübeck is finally paying tribute to writers Thomas and Heinrieb

The Buddenbrookhaus museum and center for Mano studies opened in early May, at Mengstrasse 4, a few blocks north of the Marktolatz. And it drives home how much 20th-century literature and film history would be missing without Heinrich (1871-1950) and Thomas (1875-1955) Mann.

We would oot have such monu-mental works as "Buddenbrooks," The Magie Mountain," or a "Death in Venice," to name a few of Thomas Mann's major efforts; oor would we have had the treat of seeing Marlene Dietrich, as a saucy nightclub singer seducing Emil Jannings, as a stodgy middle-class bacbelor, in the film "The Blue Angel" based oo Heinrich Mann's "Professor Unrac."

It's not that Lübeck is lacking for attractions, Located about 70 kilometers (42 miles) oortheast of Hamburg, it was the wealthiest and most powerful Baltic city of the Middle Ages.

"It has narrow streets," the Russian writer Nikolai Gogol said in 1836. "Some are so narrow, you can stick your hand out the window and shake hands with a person liv-Ying across the way."
Lübeck still has that feel despite

one 1942 bombing raid in which 8,500 bombs destroyed about onefifth of the city, including the Mann brothers' boyhood home.

With its gabled roof houses, narrow cobblestone streets and back alleyways, its towering churches and fortifications, and its wealth of architectural styles - Gothic, Renaissance, Baroque, Rococo, and Neoclassic — Lübeck is a favorite destination for hundreds of thou-

sands of visitors a year. Declared a world cultural heritage site by Unesco in 1987, the city is famous for its marzipan and for its "Rotspon" wine, Bordeaux aged in wooden casks. It is said that Napoleon's soldiers who occupied Lübeck in the early 1800s were the first to say that the wine tasted better than the Bordeaux back home, presumably because of the

In winter, visitors come for the

Christmas bazaar, in summer for the Schleswig-Holstein Music Festival and or to see the old-style Baltic Sea bathing resort of Travemunde a few miles to the north.

The Mann house was built in 1758 and had belonged to a grandfather of the two writers. Readers of "Buddenbrooks," (one of the works for which Thomas Mann was cited in winning the 1929 Nobel Prize for bterature), will recognize it as the setting for much of the action to the novel. The house was gutted in the 1942 bombing, with only the facade left standing. A bank bought it in 1957, and built a new house behind the facade for use as an office. Finally in 1991, the city persuaded the bank to sell; with local, state and federal funds the museum was es-

That it has taken this long for Libeck to establish the museum to the Manns is a story to itself. As the museum's exhibits show, the writers were a sore point to Lübeck. "Buddenbrooks," in fact, was a shocking inside look at the mercantile-patrician ruling class to which Mann belonged. Though names were changed, it still became a popular game in Lübeck to deciphe who to the book was who in reality.

OTH Maon brotbers went into exile during the Nazi regime, and Thomas's wartime broadcasts to his German compatriots over BBC kept people in Lübeck very much aware of his anti-Nazi views. Even in 1955, a year before his death, a vote by Lübeck's 49-seat city council to bestow honorary cit-

izenship on Thomas Mann passed by only a single ballot. There is still one family here which bates Thomas Mann," remarked Susanne Hesse, a city guide. "This is over 90 years since Buddenbrooks," so you can imagine how strongly people must bave

felt about it back then." Lubeck also chaffed at being the narrow-minded provincial town setting for two of Heinrich Mann's works. Heinrich, who died in exile in Santa Monica, California, did not become an honorary citizen.

But Hesse believes that Lübeck's burghers are now proud of the two writers. "I think this museum shows that the city has made peace with the Manns." she said.

Dauglas Sutton is a journalist based in Hamburg.

Contemporary Culture in Leafy New England

ENT, Connecticut - Once upoo a time, looking around for contemporary art was a lark, a private affair shared by enthusiasts experimenting out of deep-seared conviction who bought from equally experimental galleries. They loved nothing better than the unexpected twists, the fantasy, the feeling of roaming freely over uncharted territory. Investment was not the issue and bype hardly a problem. Could that time be coming back in a lush corner of New England?

ft all started as a joke, very tongue-incheck. The setting of Act I in this play call it "A Serious Comedy About Art" —
is the stretch of leafy land that slopes

SOUREN MELIKIAN

down from a beautiful 1790 house atop Geer Mountain to an old caboose, outside Central Station in Kent.

Enter Jacques Kaplan, ex-New York-er, ex-leading fashion-fur designer of the 960s, ex-contemporary art broker of the 1970s, who bought Susan Rothenberg when no one knew the name and had among his closest friends Willem de Kooning, Mark Rothko and Larry Rivers. The year is 1982. Kaplan, touring the area, catches sight of the house and buys it on a whim. A year later be is having lunch by the train station. As be watches a woman clearing the contents of the caboose, gently rusting away on its rails that come from nowhere and lead nowhere, bits of his past run through his mind - his Paris childhood, the New York decades — and now this: Kent. In a flash, Kaplan decides to look up the owner, signs a one-year lease (renewed ever since) and calls the caboose the Paris-New York-Kent Gallery.

ITHIN weeks, the dealer has his first show - Ann Osenga, The woman painter never dreamed she would have one. Her naive trompe-l'oeil still lifes priced at a few hundred dollars each. a couple of thousand for the wildly expensive ones, are an instant hit. The New York expats who are quietly settling the area, town-weary but still yearning for the Art and Culture they left, love it, the touch of make-belief included;

Others follow - Paul Suttman, Carol MacDonald - and Kaplan, whom some would call Gold Fingers, makes it sing. He has fun, the buyers are happy, the

artists are too.
Act II begins when Kaplan's French
wife, Violaine Bachelier, makes friends



Joy Brown earthenware figure at Bachelier-Cardonsky Gallery.

donsky, the wife of an advertising executive, is a former art professional who foodhe is a time at the prominent New York art dealer Samuel Spencer. The two women, itching to have their bit of fun, discover that the old Masonic Lodge, a lovely wood house of the 1850s, is available to the two womens are the second to the s able and by the end of 1988, open the Bachelier-Cardonsky Gallery.

The overly cautious might think that two contemporary art galleries for a quiet New England village is a bit much. The Kaplan approach is that to make it work. the thing is to turn Kent into a real art

Act III of this Marx-Brothers version

with another New York expat. Darby Car-donsky, the wife of an advertising execu-and dashing into every shop with nothing on display in the window to ask whether the owner would consider showing some works of art. The choices will be made by Bachelier and Kaplan, the display by Bachelier, and the profits on sales are to go entirely to the shop owner. Thus do the Boot Gallery, the Countre Gallery and the Café Gallery come into existence, Late in 1989, the oumber of contempo-

Just fancy names on country shops? At least one New York pro thought otherwise. At the heart of the recession in 1991, the Bill Goff Gallery, which focuses on art of the art market begins with Kaplan about baseball, moved from New York to

rary art galleries in Kent stands at seven.

By 1990, it has jumped to 12.

similar move. The secret behind the success is a complex mix of factors.

At the heart of it is the sense of discovery - sometimes wonderful discoveries. The sculptor Peter Woytuk is one, and the story is a typical Kaplan gem. In the summer of 1985, the self-appointed Kent citizen goes to a local photographer named Nancy Tutko. Would she photograph 25 artists from the area selected by her, give each three photographs, requesting that the artist do with these whatever comes to his or her imagination. and finally bring Kaplan the resulting work for display in a show? Tutko ac-cepts the commission, the show in which the artists handled their photographs in an endless variety of collages, cutouts is a roaring success — and Kaplan gets to know the artists, among whom is the 27year-old Woytuk.

I went to see Woytuk, now 35, in the house that he built with his own hands in Wassaic in Dutchess County, New York. He was working on some of the bronze birds be now does, unruffled by a lively and vocal 4-year-old eager to help with the interview. "I had an upbringing that was about form and space," Woytuk says his father is the architect who built the Citicorp Center in New York. The other major influence on his work was the sculptor Philip Grausman, a figural artist much influenced by his long stay in Italy, who hired Woytuk to assist him. "I owe him this whole introduction to bronze of which I had no notion whatsoever," Woytuk says.

Grausman's influence was equally important in deflecting him from the "mini-mal sculpture" in which he indulged. In the last few years, Woytuk, fascinated by birds, has developed a highly original range of styles that have in common a rare sense of volume and suspended motion. They vary from his impressionistic "ravens," seen in postures of remarkable liveliness, faintly reminiscent of the Paris bronze maker Rembrandt Bugatti's birds earlier in this century, to quasi-abstract variations on the hen motif in marble or bronze. The bronze pieces, done in edi-tions of eight, displaying a most admira-ble mastery of pure form.

Since 1988, Kaplan bas mounted three one-man shows for Woytnk, All were sold out. Kaplan says he has a waiting list of 30 buyers for whom there will be a preopening when his fourth Woytnk show goes on view at the end of October. The moderate prices, from \$1,500 to \$22,000 depending on size and subject, only part-

little Kent. Another very serious pro, ly explain the success. If he continues in Monique Knowlton, is about to make a this line, Woytuk will sooner or later be recognized as the greatest animal sculp-tor of the Western world in the closing years of the 20th century.

The Kaplans' other great discovery is Joy Brown. Half the works in her onewoman show, which opens at Bachelier-Cardonsky on Saturday, have already been sold from photographs. She grew up in Japan, where ber father, "a medical doctor missionary." doctor missionary," opened a hospital in the 1950s and her mother passionately collected anniques and ceramics. "We lived with used and treasured them." Brown recently wrote in The Potter magazine.

Predictably, she majored in ceramics, in Florida, before returning to Japan to see her parents — briefly, she thought. But, as it turned out, she stayed there for five more years, the better part of which she spent as an apprentice with the 13thperation potter Ichino Toshio.

THE large moon-faced figures of red and black stoneware she fires in the Japanese kiln she built in Kent 13 years ago defy classification. They betray the strong impact of the Japanese prehistorie Haniwa earthenware figures, utterly transformed, however. The thickset Primitive bodies always seem on the verge of motion with a mixture of hot-air balloon lightness and peasant earthiness. At prices around \$6,000 to \$7,000, they are proving irre-

Bachelier's quest for new artists is cea-scless. Not many will have heard of Kathryn Mc Auliffe as a painter, even if some might recognize the name of the deputy director of the Museum of African Art in New York, Between 1989 and 1992, she painted a series of views called "Di Siena," followed by a number. Depending on one's mood, they may be seen as Expressionist abstractionism or as stylized figuration. One of these looks like a Kafkaesque maze of openings in gold, dark purple and bluish greens leading into black holes. When displayed last May, the \$1,000 picture sold on the opening day to a New York collector. Her prices range from \$1,000 to \$3,000.

Buyers now come from far away. From the show of Grausman's huge (three to nine feet high) beads of stone, polysty-rene or bronze, which opens Saturday at Paris-New York-Kent, a \$36,000 bronze head (the cost of casting is buge) has been sold to a French couple with a residence in Kent. Gulliver is doing well in the Lilliput of contemporary art.

Art of Damaged Environments: Insects on a Big Scale

By Mavis Guinard

URICH - Comelia Hesse paints bugs. So well that her byper-realistic illustrations have appeared n art magazines and on conture silks. But since the Chernobyl nuclear accident her watercolors have become disturbing. The insects to the pictures, blown up 22 times, look weirdly asymmetrical.

Hesse, a Swiss scientific illustrator, has graduated from doing brilliant marine life and cute ladybugs to showing what radioactivity does to insects. She has gathered specimens from areas under heavy fallare deformed.

She works in Zurich, in a building where her father, a sculptor, and ber mother, a graphie designer, also have their studios. In her all-white work space, surrounded by stacked watercolors, a box full of invitations to her next show, as well as labeled bugs collected over the weekend, Hesse at 49, looks young, sturdy and perfectly serene. What drove her to

concentrate on these defects? "Up to now. I always kept senarate what I enjoy most, my scientific painting, and what I called my bread work," she said. For more than 20 years, she

worked for Professor Hans Burla at

drudgery; gathering statistics, illustrating papers, not with detailed sketches, but dry abstractions of the insects be was studying," she said. "But I kept on, Something meticulous in me liked the work."

Meanwhile, since the university job was only part time, Hesse did projects of her own, studying and painting minute coral organisms, poisonous fish and ladybugs. Si pulls out some well-thombed copies of Du. The last work she published in this avant-garde art magazine needs explaining. "These are the eyes from four generations of fast-breeding drosophilae used for genetic study," she said. "To out and close to nuclear reactors modify the genes, we poisoned and she says a number of the bugs commeal mush with ethyl methane sulfonate. The fruit flies ate it, laid their eggs and the larvae grew in it. I recorded the mutations.

"The last generation showed only a cavity instead of a face. The lab workers nicknamed it Quasi-

Though her research did not require painting the flies, Hesse was hypnotized by the mutations: "I developed a miniature watercolor technique for my observations, using the timest brushes to apply repeated washes of color. By measuring every small detail, I believe I achieve the highest degree of accu-

Long before her concern for the the Zoology Institute of Zurich environment, art came first. Her known. Besides illustrations, there a group of journalists and parlia-University. "My lab work was — father, Gottfried Honegger, creat- were designs for silk scarves and mentarians visiting Chernobyl be-



Insect, by Cornelia Hesse.

ed monumental urban sculptures: ber mother, Warja Lavater, put out abstract children's books.

When Hesse decided to become a scientifie illustrator, her parents tailored her training to order: First, in scientifie illustration at the University of Zoology in Zurieh, then in a marine laboratory in Naples, finally at the Ecole des Beaux-Arts

Her artistic work made ber

fabrics, a contest for new Swiss fore a Swiss vote on nuclear plants tures. Mutated leaves and flies banknotes a trip to the South Pa- was able to gather insects near the leave behind a different imprespean artists. This proved to be an

"In New Caledonia, I saw for the first time industrial damage," she said. "Dust from nickel ore carelessly loaded on ships within the lagoon had silted over the coral reef

For Hesse, 1986 was a watershed year. "My marriage had broken up, my job had ended with Professor Burla's retirement; then in April came Chemobyl," she said. again worried about what would happen to insects. Scientists told me that the dosage was so small that I could not expect any changes. But I decided to see for

She went to Sweden, where the highest measured fallout had been registered oorth of Uppsala. There she came across ber first damaged bugs: with growths out of the eyes, deformities on bodies, wings, feelers and limbs. "It confirmed all my fears," she said.

Ever since. Hesse who now teaches in Zurich and in Mainz, spends weekends and vacations on field trips. "Some go to the Carib-

bean, I go to nuclear plants. She went to the Ticino in Switzerland, where fallout had also been heavy, and in 1990, by joining

banknotes, a trip to the South Pa-cific with 10 other promising Euro-restricted zone. They were mis-

Each year, Hesse investigates a new area. In 1989, she went to Britain, oear Sellafield's ouclear waste reprocessing facility that had the first nuclear accident in 1957. In 1991, she went to the Three Mile and was destroying species after Island plant in Pennsylvania, cent of the insects were damaged

"I find it even higher in Switzer-land, as high as 30 percent near nuclear plants," she said. "Though scientists pooh-pooh the idea, even a low level of radioactivity seems to affect the bugs." Recently, Hesse who enjoys recognition as an artist, has received

some support other than from environmentalists: A scientifie study began at the Zurich Polytechnical School, and Professor Joan Davis. a water-protection specialist based at Zurich University, agrees with Hesse that more studies are needed, commenting: "Maybe low-level radiation is indeed playing havoc with life; or perhaps

"Numbers alone don't seem to move us: it is different with pic-

sion, a loud and clear signal that something is desperately wrong.

Cornelia Hesse's paintings will be at the Swiss Center in New York from Thursday to Oct. 24.

Mavis Guinard is a journalist based in Switzerland who specializes in cultural affairs.

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ANTIQUES

BOOKS

THE EXILE: Cuba in the Heart of Miami

By David Rieff. 220 pages. \$21. Simon & Schuster.

Reviewed by Jorge I. Dominguez

E land. They long for a country that no longer exists and they do not quite belong in the one in which they live. Exiles seek to remember the land of their ancestors and, in so doing, they often create a mythical, fantasy world that bears little relationship to reality.

Many people of Cuban origin who live in the Umted States call themselves exiles. The home in which their children were born may be Miami, but to their inner beings they feel abroad at home.

David Rieff's thoughtful and eminently readable account of the state of mind of many people of Cuban origin in today's Miami captures well the obsessions, the misremembraoces, the joyful myths, and the anxieties of those whose true home exists only in their

I don't feel comfortable here," Rieff quotes a senior Miami banker, as prominent in Cuba before the revolution as he has been in Miami. revolution as a bis fortune. The origin wish to be unhyphenated where he can for this discomfort Americans. Those few risk being

is best given by a civic-minded midcareer architect. Life might be simole, he says, "if I could feel entirely Cuban" as the older successful banker does, "or entirely American, as my son . . . does. But when the U. S. plays Cuba in some international sport, I don't know who to root for.

Some people of Cuban origin in the United States, Rieff reminds us, mimic Cuba's repressive political system. Led by Jorge Mas Canosa, the leader of the Cuban-American National Foundation, they have sought to intimidate The Miami Herald. Miam's leading newspaper, and to silence the many divergent voices within the Cuban community whose wishes they seek to dictate. Rieff's characterization of Xavier Suarez, the mayor of Miami, as a "totalitarian Don Quixote" in his quest to reinvent the First Amendment's guarantees of freedom of the

press applies to this cast of mind. For others, their Cubanness marks their ethnicity, not their soul. Younger, typically born in the Unit-ed States, for the most part they never were exiles. And yet many of them long for Miami when they move "abroad" (e.g., some place north of Orlando) and they feel a mutual social bond as the mythical

founders of an American ethnicity. Telephone (212) 247-0082 Few, very few people of Cuban

accused of "betrayal." The theme of treason pervades the culture of Cuba's history and of its emigration. And the worst traitors are those who deny the sacredness of

The inner voice of some exiles reminds them that "we Cubans have become a different people in America." And different they certainly have become. They have constructed the modern city of Miami, a sleepy backwater no longer. They have endowed southern Florida with energy and complexity. They have become politically influential in ways rarely matched by most recent immigrant groups. And yet.

The exiles are obsessed by their counterparts in power in Havana. They talk endlessly about the freedom-to-be in the homeland-to-become to a future-yet-to-bappen. Today they dream in Cuban ever more feverishly to recall a land most have forgotten and many nev-

> NEW YORK CITY GALLERY FOR RENT PRIME 57TH STREET BUILDING AVAILABLE SEPTEMBER 15TH

er knew. They live the "idea of meaning but a separate reality. It Cuba's exiles, alas, are indeed a dif-Cuba' in many ways no less than should mean Cuba; it is Miami. Cu-ferent people, different even from does Fidel Castro, whose own per-sistent idea of Cuba has left his abroad at home, in a Miami that for homeland in shambles.

closing quotation of Rieff's book, live even after the epic moment Welcome home," has only one when Fidel Castro's regime passes.

QUEDLINBURG

1904 Osoobrück - 1944 Auschwitz)

The Painter in exile

Paintings, Drawings

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MAYAIO & MEXICAN TEXTILES

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FEININGER QUEDLINBURG - GERMANY most of that does not matter much September 12 - October 31, 1993 Felix Nussbaum

them is not Cuban enough, in a Miami where most will continue to

ART EXHIBITIONS

ferent people, different even from the Cubans they claim to be. Jorge I. Dominguez, professor of covernment at Harvard University,

wrote this for The Washington Post.

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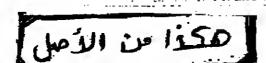
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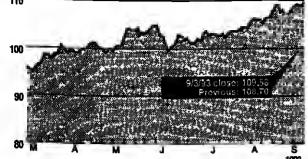
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Approx. weighting: 25% Close: 129.65 Prev.: 128.24	Approx. weigning: 40% Close: 107.15 Prev.: 106.00	Approx. weighting: 35% Close: 94.13 Prev.: 94.07
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Епегду	107.32	106.55	+0.72	Capital Goods	104.70	103.67	+0.99
Utilities.	114.86	114.11	+0.66	Raw Meterials	107.12	106.90	+0.21
Finance	121.16	119.89	+1.06	Consumer Goods	91.37	90.72	+0.72
Services	117.92	117.24	+0.58	Miscellaneous	110.47	109.41	+0.97

For readers desiring more information about the international Herald Tribuna World Strets Index, a booldet is available tree of charge by writing to Trib Index, 181 Avenue Charles de Gaulle, 82521 Neully Cadex, France.

Looking for a Better Way

By Sylvia Nasar New York Times Service

doors last February, Mary Ann Bertolino, a sewing-machine operator, found no government assistance to enable her to train for a new occupation. The reason is that she used

to sew men's topcoats, not men's shirts or women's nightgowns.

ASHINGTON - When the factory in Portage, Penn-

sylvania, where she had worked for 20 years shut its

Labor Secretary

Robert Reich wants to

To Retrain the Laid-Off

nightgowns have been hit hard fold disparate

Americans from the old economy to a new one.

American Free Trade Agreement would cost jobs.

be introduced as early as November.

to sew them qualify for gener- programs into one.

To change that, Labor Secretary Robert Reich proposes to

ECONOMIC SCENE

The wrong one can mean that olde

longer in demand are not eligi-

weeks of unemployment checks

and a bit of counseling.

American-made shirts and

by imports, so workers who used

and less-educated workers.

() le for much more than 26

By Ferdinand Protzman New York Times Service

industrial espionage.

General Motors Corp. and its

German unit, Adam Opel AG, claim Mr. Lopez stole trade secrets when he jumped to VW in March. The supervisory board met Fri-day to discuss VW's earnings and to listen to a report on the internal

tigation of GM's claims. It is unclear how much access to personnel and files VW has given the auditors. The internal investigation's credibility was also damaged when German prosecutors launched a surprise raid last week in which they seized scores of documents and computer disks.

Klaus Liesen, the chairman of the supervisory board, said, "up to now no information was presented to the supervisory board which jusespionage." He added that Mr. Lo-pez and Ferdinand Piech, VWs managing-board chairman, would stay with the company.

There have been persistent ru-Mr. Liesen said the auditors had

Paris in the Driver's Seat France to Control Renault-Volvo Tie-Up

the same time, it would allow

Volvo's shareholders to profit

lyst with Data Resources/Mo-

The couple itself was keeping

mum. "Over the past year we've

Graw Hill in London.

could take place next year.

By Jacques Neher International Herald Tribune

PARIS - A merger of Renault SA and Volvo AB, which could be announced as early as Monday, would leave France in control of the merged entity and pave the way for the state to sell off its stake in the French carmaker, analysts said.

next few years, the two automo-tive companies have been in in-The deal, worth some \$11 billion, would make Renault-Volvo the fourth-largest carmaker in Europe, behind Volkswagen AG, General Motors Corp.'s Adam Opel AG and PSA Peugeot-Citense talks over the past few months and were reportedly aiming to announce a deal in time for the Frankfurt auto show, troën of France, and No. 2 in the which starts Tuesday.
"I wouldn't be surprised if global heavy-truck business, be-hind Mercedes Benz. Total autothey tried to steal the show," said motive sales would surpass \$41 John Lawson, automotive anabillion.

Speculation of a pending merger announcement pushed Volvo's B shares up 2.3 percent, to 490 kronor (\$59.83), on the Stockholm Stock Exchange. Analysis say the deal would

11.8E 1.35

Market total
13.5 million vehicles 246 708 volicies

VW 17.46

seen so many stories about a final deal that never materialized," said a Renault spokeswoman late last week. "I think we just create a corporate structure that would permit the French govern-ment to sell off a good chunk of thing to say."

TRUCKS

A Benault-Volvo Wedding
Combried Europeen market share for Femalet and John, 7, 1997

17.6 ×

Renault to the public while maintaining overall control. At Renault and Volvo amounced an initial cross-shareholding alliance in February 1990, with Renault investing 13.4 billion francs (\$2.3 billion) in Volvo and from the privatization, which Volvo investing 17 billion francs Pushed by the French govern-ment, which in May put Renault in the French automaker. Volvo currently holds 20 percent of Reon its list of 21 state-owned comnault SA, and 45 percent of Re-nault's truck division. Renault in panies it plans to sell over the turn owns 8.25 percent of Volvo AB, 25 percent of Volvo Car Corp. and 45 percent of Volvo

Truck Corp.
Since then, the two companies have found ways to cooperate in some areas, such as teaming up in purchasing and coordinating development of new car models, but a full merger has proved

Much of the difficulty has centered on sensitivities about how to structure the merged company, and who to put in charge. Both Renault and Volvo are viewed as the industrial crown jewels of their home countries, and negotiators bave had to deal with protecting the conflicting interests of Renault's and Volvo's shareholders while respecting nonbusiness concerns such as national pride.

Analysts envision a two-hered corporate edifice made up of an investment company uniting a portion of Volvo's and the French state's interests, which would control an operating company below. The French and Swedes also would have direct interests in the

operating company.

The chairman of the holding company, Mr. Lawson said, could alternate between an executive from the French and Swede sides, while the operating company likely would be run by permanent

managers.

Most observers are betting See MERGER, Page 11

Job Creation Stalled in U.S. **Last Month**

By Robert D. Hershey Jr.

New York Times Service WASHINGTON - in reports raising fresh doubts about the durability of the economic recovery, the U.S. government said Friday that the number of payroll jobs fell in August for the first time in more than a year while its chief forecasting index turned down.

These and other sobering results more than offset improvements elsewhere among the figures, including a slight decline in the unemployment rate. As is often the case, jitters about the economy prompted a scramble to buy bonds — and that sent long-term interest rates skidding below 6 percent.

"The economy has slowed here in the summer," said Paul W. Boltz, economist at T. Rowe Price Associates, a Baltimore mutual-fund

group. "These payroll figures really look worrisome."

At 6.7 percent, the unemployment rate was 0.1-point lower last month than in July, but this minimal change was too small to be considered by the Bureau of Labor Statistics to be statistically significant.

While the shrinkage in payroll jobs was a relatively modest 39,000, including losses from flooding in the Midwest, the general expecta-tion had been for a gain of about 150,000. And not only was there a further 42,000 drop in manufacturing — bringing the total factory job loss since February to 239,000 — a gain in services was only about one-third as big as the average monthly rise since early 1992.

But at the same time, the Department's survey of households showed a 409,000 jump in the num-ber of people with jobs, enough to more than absorb an increase in the work force and thin the ranks of the memployed by 108,000.

Moreover, workers were called on

"It's kind of confusing," con-fessed Robert T. McGee, econo-mist at Tokai Bank in New York, noting the various cross-currents in Friday's labor-market figures, a monthly report widely thought to be the best single indicator of the economy's performance as well as a window on the financial well-being of the nation's households.

The latest report also appeared at least superficially at odds with other recent data, including upward revisions in economic output for the spring quarter and for the years 1990-1992.

Separately, the Commerce Department's Index of Leading Indi-At present, 20 percent of the population is course of the economy, edged down well above earlier in the year," said

T-Bond Yield Cracks 6%

Bloomberg Business News NEW YORK - U.S. Treasary bond yields, driven by news that the economy lost jobs in August, plunged below 6 percent Friday for the first time since the Treasury began selling them regularly in 1977.

The price of the 30-year bond rallied, pushing the yield down to a close of 5.94 percent.

The bear report convirued.

The jobs report convinced bond investors, who fear inflation's erosive effect on their holdings, that inflation would

not soon be a problem. It also sent short-term rates plunging, by virtually eliminat-ing any chance the Federal Rescrve would tighten credit. Low short rates motivate people to dump money-market funds for bonds. The 2-year note ended yielding 3.69 percent.

E Strong Car Sales

Although news about the economy in recent days has been unseting — ranging from a weak purchasing managers' view of the manufacturing economy to a lowering of the government's forecast for 1993 growth — Detroit had some good economic news on Fri-Knight-Ridder reported.

U.S. car manufacturers reported their sales for the closing 10-day period of August, and based on their figures, analysts put the annualized rate of sales of U.S.-made cars at a healthy 6.8 million units in the period and at 6.7 million units for whole of the month.

This compared with annualized selling rates of 7 million units in mid-August, 6.5 million units in late July, and 6.7 million units for

Among the Big Three, Ford Motor Co. posted the best gains, reporting that its sales were 22.9 percent above year-ago levels in August, followed by General Motors Corp., whose sales were up 15.5 percent compared with the

Chrysler Corp. said its sales were up 7.8 percent. Among the trans-plants, Nissan Motor Corp. reported an 88.3 percent surge in sales. Analysts had cautioned that the rising yen, which forced Japanese car companies to raise prices this year.

may hurt their U.S. operations.
"Car sales are a little weaker than in the second quarter, but still James O'Sullivan, economist at Morgan Guaranty Trust Co. "The net trend in the last six

months has been toward improve-

VW Says No Proof Found of **Spying**

BONN — Volkswagen AG's su-pervisory board on Friday reiterated its support for its embattled head of production, José Ignacio Lopez de Arriortoa, saying it had found no evidence he was guilty of

investigation of the "Lopez Affair." Volkswagen hired KPMG Deutsche Treuhandgesellschaft, a German accounting firm, to conduct the inves-

mors in the financial markets that Mr. López and possibly Mr. Piech would be dismissed at the meeting. not yet concluded their investigation. They would probably present the supervisory board with a final report at the end of October, he said.

Enough Easy Living, Kohl Tells Germans to work an average of 12 minutes longer a week, driving hourly and weekly earnings sharply higher.

Compiled by Our Staff From Dispatches BONN - Chancellor Helmut Kohl on Friday urged Germans to study less, work more, retire later and expect less of the state if they hoped to maintain their competitiveness, industrial strength and social peace.

In a report released a few days before the legislature returns to make the first sharp cuts in Germany's social-welfare program, Mr. Kohl said Germans needed to make "changes in their heads" to deal with the economic crisis.

About 3.5 million Germans are jobless, and bulwarks of German industry like the automobile and steel sectors are losing market share. Some steelworks are closing forever.

Under the patchwork of government programs to belp workers Deficit spending to help crippled Eastern Germany is keeping interest rates high and slowing permanently put out of jobs, the reason a worker has lost a job — imports, military cuts, the spotted owl — has to be the right one. recovery. Unemployment figures released Friday for August showed no improvement.

The 110-page report, which had been widely leaked before release, offered a glimpse of Mr. Kohl's strategy for next year's national elections, when his dozen years of leadership will be on the line. It is essentially a discussion document but it will be followed in coming years by legislation on cutting corporate taxes, reducing reaucracy and other matters.

Major themes include rolling back the role of the state and privatizing state-owned compa-New proposals include allowing the unem-

Chancellor Kohl predicted progress in the EC-U.S. talks on farm trade.

ployed to work in return for modest pay on top of their unemployment benefit.

Mr. Kohl portrayed the program, based on a report by Economics Minister Günter Rexrodt, as a chance for Germans to come together in sacrifice to secure their future. "Now is not the time to lay blame for errors in the past," he said.

The opposition Social Democrats, pointing out that the chancellor promised "blooming landscapes" shortly after the 1990 reunification of Germany, called his report "an oath of disclosure for a failed economic policy."

Germans should spend less time in school and on vacation, and more in the office and factory, he said. Germans spend more time in school, university and training programs than any of their European counterparts, and many are in their thirties by the time they start careers.

"The state and politicians can't make these changes alone," Mr. Kohl said. "What's required most of all are changes in the head and thinking from each individual."

The report laid special stress on the troubling demographic trends that affect Germany. By the year 2030, the German baby-boom

encration will be over 60 and will represent a third of the population. Many Germans retire at age 60, although the mandatory age was changed to 65 this year.

over 60, and Germans already pay 19 percent of national income into pension funds. Politicians month in a row in which the index and social experts have been sounding increasingly shrill alarms about the possibility of a from the preceding month. The incollapse of the pension system. (AP, Reuters) dex had risen 0.1 percent in June.

"The net tree months has been months has been ment," he said.

Clinton Aide Unsure on North American Treaty

ous, long-term trade adjustment assistance. But topcoat orders dried up when the economy turned sour, so Mrs. Bertolino is not eligible for the extra help. The Associated Press

WASHINGTON — President
Bill Clintoo's chief lobbyist for the
North American Free Trade Agreement said Congress was so divided on the accord that he was not certain it would be approved.

Last month to lead the drive for legislative approval of the treaty.

The accord would, over a 15-year against it. But I am confident there will be hipartisan support for the movement of goods, services and capital among the United States, Mexico and Canada.

Mexico and Canada. overhaul the system by folding disparate programs into one giant "re-employment program." His proposal to grant assistance to dislocated workers no matter why their jobs vanished is supposed to ease the pain of economic change, especially for older, less-skilled tain it would be approved.

"The challenge," Mr. Reich said, "is to ease the transition of "I don't think anyone has the Striking back at the administration's critics, Mr. Reich made it vote today and feel confident," clear that the proposal was also designed to blunt attacks from William Daley said.

labor unions, many Democrats and the Perot camp that the North Mr. Clinton is expected to make "The adjustment assistance program is an important political element in getting NAFTA approved," said a Senate staff aide. speech on the treaty and send the 2,000-page document and its side agreements on environmental and The secretary's draft proposal has been circulated inside the administration and to various constituents for comment, a Labor labor rules to Congress on Sept. 14, congressional sources said. Department spokesman said. The proposal, which was published last month in the the trade journal Daily Labor Report, is being modified, but it will serve as a framework for legislation that could

labor unions and many environmentalists, are planned for shortly

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Mr. Daley and the U.S. trade votes on either side to have that representative, Mickey Kantor were speaking at a news conference called to rebut a 124-page book criticizing the treaty that was is-sued by Ross Perot, the billionaire businessman who ran for president as an independent candidate last year. Mr. Perot has been one of the most vocal critics of the accord.

Mr. Kantor said he was "a lot more optimistic" about winning Hearings in Congress on the ac-cord, which has been denounced by ratification of the treaty than be was four months ago.

Several prominent Democrats after that time. Mr. Daley, brother of Chicago Mayor Richard M. Dather the accord. Mr. Kantor said: ley, was appointed by the president "There will be Democrats for it and

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Herald Eribune.

CURRENCY & INTEREST RATES Sept. 3 Eurocurrency Deposits

| Sept. 3 | Sept

If the proposal is adopted by Congress, the new program would be financed with with \$1.1 billion already earmarked in the 1994

See HELP, Page 12

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Thai bohr 25.14
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EUROPEAN FUTURES

MARKET DIARY

Stingy Bond Yields Give Lift to Stocks

NEW YORK — Tumbling bond yields lent support to stocks Friday. as investors opted to take their chances on equities despite surprisingly weak U.S. employment data. it's a toss-up as to whether inter-

est rates are so low that people start pouring into the market, or whether the economy is so weak that it starts to concern people," said Barry Berman, head trader at Robert W. Baird & Co. in Milwaukee.

The Dow Jones industrial average rose 7.83 points, to 3,633.93.

N.Y. Stocks

and advancing issues on the New York Stock Exchange outnum-bered decliners by a 7-to-6 ratio. Stocks initially weakened when the government said the economy lost 39,000 jobs in August. Analysts had been expecting a rise of about 145,000, but those forecasts were pared Thursday to a gain of as little as 50,000. The news sent long term as 50,000. The news sent long-term bond yields below 6 percent.

Jack Solomon, technical analyst at Bear Stearns & Co. said there were some positive clements for the stock market in the jobs report, including a revision for the previous month. "The work week and hourly earnings went up and the upward

revision for July was positive." Hc added, "In spite of the slew of negative economic news this week, people feel that the recovery is still out there no matter how slow."

John E. Silvia, economist at Kemper Financial Services in Chicago, said existing workers were reaping whatever benefits the economy provided: they were working increased hours and receiving overtime pay, while barriers against new employment are rising.

Advanced Micro Devices was the most-active issue on the New York Stock Exchange, down 1% to 29%, after AMD admitted its independently developed version of Intel Corp.'s 80486 processing chip used elements of an earlier Intel design.

AMD admitted it used the code contained in Intel's 386 chip as a

base for its 486SX. The 486 design currently is the most popular kind of chip in personal computers. Raj Ra-jaratnam, an analyst at Needham & Co., said AMD's admission could expose it to large damages. The out-come depends on B breach-of-contract suit concerning the 386, AMD had been awarded the right to use the 386 chip by an arbitrator, but that decision was overturned by a California court. AMD is appealing. (Bloomberg, UPI, Knight-Ridder)

DOLLAR: Mark in the Spotlight

higher income to be earned holding

marks oo expectations that the dollar would appreciate sharply once U.S. interest rates began to rise. But with that prospect now pushed indefinitely into the future

Foreign Exchange and fear growing that the Federal

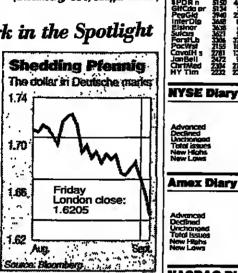
Reserve might actually lower rates

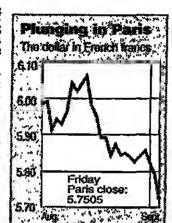
again, the higher return oo holding

marks became stractive. The mark also strengthened against the yen as well as the major European currencies. The Belgian and Swedish central banks intervened to support their currencies against the mark. The French franc weakened to around 3.53 per mark. but remained above the low of 3.5475 seen just after the trading bands permitted in the European

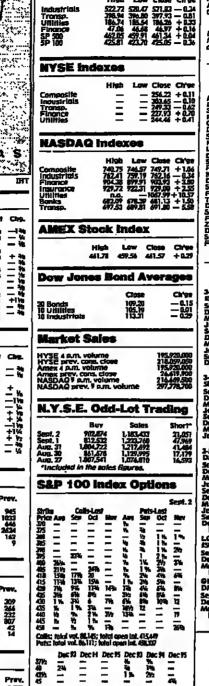
exchange rate mechanism were widened last month, Dealers noted that a repositioning was under way, with investors who had previously been underweight in holding marks now moving back into the currency. There has reportedly been a big move out of yen into the mark. There has also been a massive sell-off of Belgian bonds as Benelux investors switch back into the German currency.

Analysts expect the Bundesbank to use the mark's strength as an opportunity to lower its discount rate at Thursday's policy-making meeting of its governing council.





The Dow Daily closings of the Doer Jones Industrial ave \$30 Standard & Poor's Indexes **NYSE Most Actives AMEX Most Actives** High Low Last Che. 4% NYSE Diary



Dow Jones Averages

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GTE Plans to Cut 2,600 Positions

1RVING, Texas (Bloomberg) — GTE Corp. said Friday its GTE Telephone Operations unit would out 2,600 positions in the United States

The telecommunications company said more than half of the reductions would come from the elimination of positions that had been vacant since an early-retirement program and the control of the reductions that had been vacant since an early-retirement program earlier this year. About 1,000 of the positions to be cut will come from currently staffed positions.

The reductions add to the continuing list of job cuts by local phone companies in the wake of increased competition from other access providers. Combined, GTE and the seven regional Bell operating companies have eliminated tens of thousands of jobs over the last several years.

Hicks Muse Targets Radio Stations DALLAS (UPI) — Hicks Muse & Co. said Friday it had decided to

pursue buying radio stations in the United States, citing eased restrictions pursue ouying radio stations in the Umited States, citing eased restrictions on ownership that allow multiple stations to be owned in single markets. Dallas-based Hicks Muse said it planned eventually to assemble a portfolio of radio-broadcasting properties with an aggregate value in the handreds of millions of dollars. Hicks Muse said it had allocated \$50 million of equity fuoding for such investments, which would be supplemented by debt financing.

Northwest Air Sees 3d-Period Profit

MINNEAPOLIS (Bloomberg) — Northwest Airlines said Friday it would be profitable in the third quarter, traditionally the industry's strongest period, but expected to post a loss for the full year.

"We would have been profitable in the third quarter even without an adjustment in our wages." Northwest's chief executive, John Dasburg, said. He did not make a specific forecast. Northwest had earnings of \$46.5 million in the 1992 third quarter.

The airline, a unit of Wings Holdings Inc., recently won its employees acceptance of \$886 million in wage and benefit cuts over three years.

American Air's Attendants Get Offer

FORT WORTH, Texas (AP) — American Airlines has proposed early retirement on \$600 a month for more than 6,000 flight attendants to return for their union's agreement to allow the earrier to put fewer

attendants on airplanes.

Union leaders immediately criticized the offer, saying it would require concessions that employees do not intend to make.

The airline and the Association of Professional Flight Attendants are

occotiating a new contract.

New Bid Made for Katy Industries

ELGIN, Illinois (Bloomberg) — Rosecliff Pensler Partners LP offered to acquire Katy Industries Inc. for \$266 million, or \$29 a share, the target company said Friday, outbidding the Carroll family, which controls 52 percent of Katy and is seeking the rest.

Katy's board received a letter Thursday from Rosecliff Pensler Partners LP proposing to acquire all of the company's common shares outstanding for \$29 and suggesting it might go higher. The Carroll bid was for \$25.75 a shar.

The bid is the third in the last 12 months for the maker of pumps, shoe-

making machinery and sanitary maintenance supplies. Its shares closed Friday at \$26.625, up 75 cents.

For the Record

General Motors Corp. said its Packard Electric division would purchase AZ Bela, a maker of automotive components based in Czechoslovakia with 700 employees. Terms were not disclosed.

Times Mirror Co., publisher of The Los Angeles Times, is considering selling its downtown Los Angeles headquarters as a cost-cutting measure. people familiar with the plan said.

Burlington Northern Inc. said floods in the Midwest this summer cost it \$75 million to \$80 million, reducing the railroad company's third-quarter profit by more than one-third,

Dollar Reserves Set Record

NASDAQ Diary

126

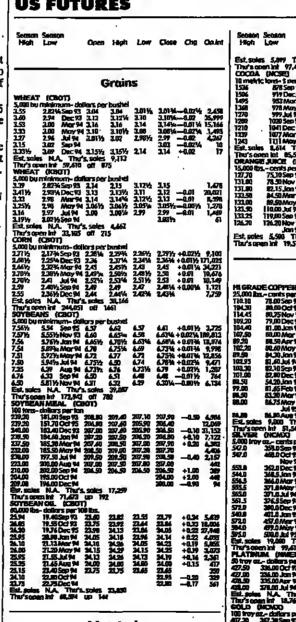
NEW YORK — The Federal Reserve's portfolio of U.S. government securities held for foreign central banks and international agencies rose to a record level in the latest reporting week, again reflecting the impact of sustained foreign-exchange intervention, analysts said Friday.

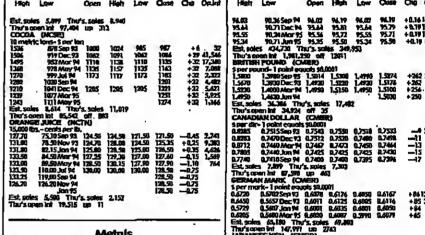
The portfolio, which has been steadily rising in recent weeks, rose \$575 million in the week ended Sept. 1 to a record of \$326.23 billion. The previous record, \$325.65 billion, had been set the prior week.

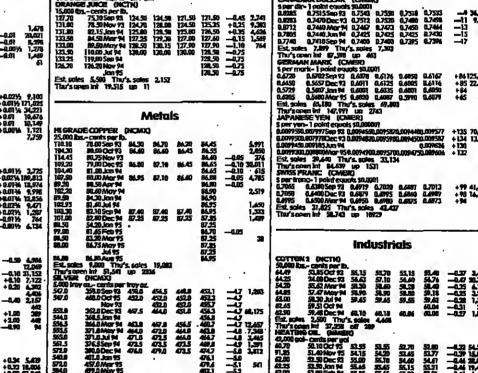
The inflated dollar reserves stemmed from the July crisis in the European Monetary System and huge Japanese trade surpluses that forced the Bank of Japan to prevent the dollar from falling below 100 yen.

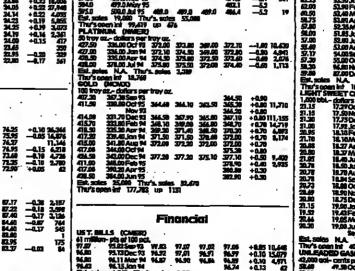


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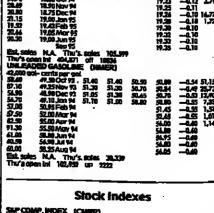
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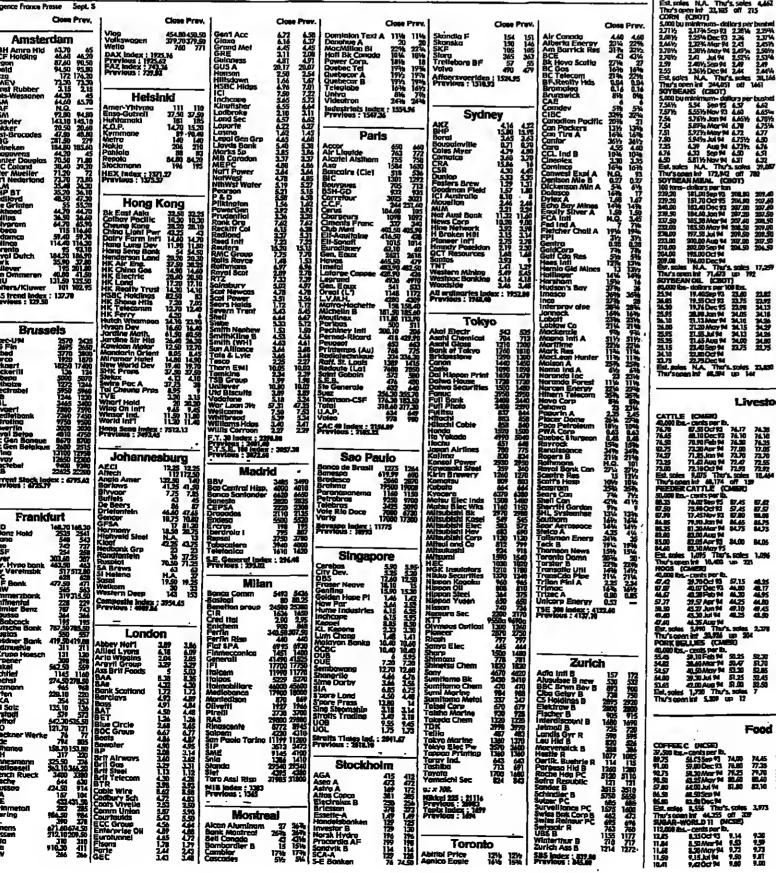
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WORLD STOCK MARKETS



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BONN - Germany and the United States made progress in civil-aviation talks this week but failed to complete an accord that Bonn hopes will give German airlines

more access to U.S. airspace, the

Transport Ministry said Friday. The ministry said the discussions, which ended in Bonn on Thursday, were heading in an appropriate di-rection. Talks will resume next Wednesday in Washington.

"One cannot speak of a break-through, but the U.S. negotiating delegation has shown new signs of mobility," the ministry said.

It said there were indications that the two nations' positions on capacity limits were moving closer.

Germany has threatened to cancel the existing accord. In August it set a deadline on the talks, aimed at agreeing a new bilateral accord to replace a post-war arrangement.

Bonn Rescues Recycling **Ambitious National Plan Averts Crisis**

BONN - industries and local governments joined Friday to bail out the German recycling system, which was near collapse because about

half the companies were not paying their dues. Environment Minister Klaus Topfer announced that waste-management companies, other industries and German towns would offer loans to cover 570 million Deutsche marks (\$345 million) of debt of Duales System Deutschland, the nonprofit consortium that runs the world's most ambitious recycling program

The consortium was started by German industry in 1991 after a new law ordered companies to devise a recycling system or allow customers to return all plastic packaging material to them.

The German system, closely watched by manufacturers and waste-treatment companies internationally, has been copied in part by Belgium and some other countries

Duales System was supposed to work by collecting fees from companies that put a green seal, a symbol of concern for the environment, on their products. Consumers were to deposit the used plastic packages in designated yellow containers, and Duales System would use the "green seal" fees

to pay trash haulers to empty the bins and deliver the plastie to recycling plants.

The system was failing because of massive fraud: As many as half of the companies that put green seals on their products were not paying the required fees.

It also has been overburdened by the fastidiousness of German consumers. An estimated 85 percent have taken part in the program, and their projected collection of 400,000 tons of plastic waste this year is four times as much as had been expected.

Trash haulers, overwhelmed by the volume, threatened this week to stop emptying the yellow bins unless Duales System immediately paid them 200 million DM. Wolfram Brück, chairman of Duales System, in turn asserted that the companies that had been neglecting to pay the fee owed the consortium 369 million DM.

Mr. Topfer said at a news conference that the arrangement reached Friday would preserve the system through 1994. He said the system would be monitored more closely to see that companies pay before putting the green dot on their products, and that there would be stiff fines for those that do not.

MERGER: France Expected to Control a Combined Renault and Volvo

Continued from Page 9

that Louis Schweitzer, chairman of Renault, will end up with the top job on the operational level, and that Pehr Gyllenhammar, chairman of Volvo, will take a promi-

nent role in the financial company. Schweitzer will run the show, but I'd expect Gyllenhammar to get a very nice title in the financial company," said Edmund Chew, through the investment company, auto analyst at Nomura Securities

The two-tiered structure would facilitate Renault's privatization, Mr. Lawson said, suggesting that France, which currently owns 79 percent of Renault, could sell off a good slice of the merged operating company, yet maintain control

At the same time, Volvo's share-holders, who also would be given a stake in the operating company, would be free to contribote those shares to the privatization effort, or hold on to them and potentially

profit from the merger.

Mr. Chew said it was likely that a majority of the merged company

would be sold off. "Car companies are not bought for break-up," he said. "Renault-Volvo is not likely to be subject of a hostile takeover."

Analysts expect the merged com-pany to maintain separate Renault and Volvo brands and marketing organizations, but to unite the costly product development and manufac-

Kohl Predicts Gains In Talks on Farm Subsidies With U.S.

Compiled by Our Staff From Dispatches BONN - Chancellor Helmut at an accord on the agricultural Kohl said Friday that Germany wanted the Uruguay round of the GATT negotiations to be completed by the end of the year and predicted progress in the dispute between the European Community and the United States over agricul-

tural polícies. "For Germany it is absolutely vital that GATT comes to a successful conclusion by the end of the year. We oeed GATT," Mr. Kohl

said at a news conference. Mr. Kohl said he saw progress in the dispute about the Blair House farm-trade agreement and said France had altered its position and was no longer rejecting the agree-

ment entirely.

Mr. Kohl said that "there has never been any question of reopen-ing the Blair House agreement." But he added that it was necessary to "clarify" the issue of whether it was compatible with the reform of the EC's Common Agricultural

Policy. France says it is not. He ooted that France's Agriculture Ministry had said Thursday that France was oow willing to ne-

gotiate it point-by-point.

But on Friday, the agriculture
minister, Jean Puech, took a harsher tone, and urged the EC to reopen negotiations with the United States over agricultural export subsidies. He said the present ac-

cord was not acceptable.

section of GATT without a resumption of negotiations with the Americans are making a big mistake." Mr. Puech said. EC ministers will discuss the issue

on Sept. 20. (Reuters, AFP, AP, Bloomberg)

Unemployment Up in Germany

BONN - German unemployment rose in August, the government said Friday, illus-trating a country mired in its worst postwar recession.

West German unemployment, adjusted for seasonal variations, rose by 23,000 in August, to 2.33 million. The jobless rate, based on unadjusted figures, remained at 7.5 percent of the work force. In Eastern Germany, the jobless total rose by 8,000 to 1.174 million, giving a jobless rate of

Chancellor Helmut Kohl said workers would have to accept lengthened hours and flexible job practices to boost

catebing market-watchers off

guard by the half-point drop, to 10

15.4 percent.

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Very briefly:

 British car sales in August surpassed the most optimistic forecast of 415,000 and may have reached 430,000 or more, industry sources said. The final total will be announced Saturday.

 The French private television station M6 plans to list its shares on the Paris Bourse in 1994, its chairman and managing director said in an interview with the financial newspaper Les Echos.

• European Community antitrust authorities began a full-scale inquiry into a joint venture of Pilkington PLC and Techint Finanziaria Srl to buy Società Italiana Vetro SpA, a safety-glass manufacturer, for \$127 million. · Reuters Holdings PLC said its offer to buy back 5.84 percent of its

offered the company tenders for 153.9 million shares. · Schroders PLC said its first-half profit was higher than a year earlier, The British merchant bank did not provide figures, but it raised its

shares had been oversubscribed more than six times. Reuters plans to buy about 24.8 million shares for £350 million (\$527.4 million), but bolders

dividend to four pence a share from the equivalent of three pence. • Switzerland's economics minister, Pascal Delamuraz, said the country's recession had hit bottom and many preconditions of a recovery were already in place. He cited declining inflation and interest rates and a

flattening in the shrinkage of the gross domestic product.

FRANC: Support Begins to Waver for France's Strong-Currency Policy as Recession Raises Fears Among Elite

currency defense ahead of efforts to stem the tide of Europe's worst recession in decades.

"I think we're seeing a kind of phony period of stability," said Brendan Brown, chief economist at Mitsubishi Finance International in London. "The old European parities may still be exercising some sort of influence, but once investors get back to their desks and take a serious look at the simation, you should expect to see some significant changes into the au-

Despite a worsening recession, record joblessness and stiff tax hikes, the door Mr. Balladur remains popular. In contrast to political leaders elsewhere in most Western countries, his support in the polls has been on the rise since taking office in March. There has

been recent speculation that he lay the groundwork for a carefully far more smoothly if there were may even challenge Jacques calibrated retreat from his tradi-hopes for near-term economic im-Chirac, the mayor of Paris and head of the neo-Gaullist Rally for the Republic party, as the right's standard-bearer in the 1995 presidential election.

But if the economy fails to im-prove, Mr. Balladur's star may fall. The French unemployment rate rose to 11.7 percent last month, with the official statistics agency expecting a jobless rate of 12.5 percent by early next year. Industrial orders have hit a five-year low, bankruptcies are running at more than 8,000 a month, nearly double the rate of just a year ago.

Indeed, some analysts see the emerging chorus of calls for sharp reductions in interest rates as part of a Machiavellian strategy by Mr. Bailadur - who vowed to protect the franc at all costs or resign - to

tional policy of austerity.

Without some signs of an economic turnaround in the months ahead, there is a danger that the center-right coalition backing the government could split. A few prominent conservatives who opthe interior minister, and Philippe Seguin, leader of the National Assembly, have repeatedly called for cutting the tight link between the frane and the mark, Mr. Chirac has hinted he may support such a posi-tion if the economy does not start to improve soon,

Managers of state-owned companies are adding to the pressure for a cut in interest rates by pointing out that the government's planned privatizations would go

"In the current ecocomic climate it is very difficult to make an accurate forecast for the rest of the year," Jean-René Fourtou, chairman of Rhône-Poulene SA, said this week in reporting a sharp drop posed the Treaty oo European in sales and profits for the first half Union — such as Charles Pasqua, of 1993. The group should benefit from a strengthening of the U.S. dollar and from lower interest

> pany 43 percent-owned by the state, is to be privatized as early as this month, "if market conditions permit," the government said earlithe oil company, and two banks.

er this summer. It is to be brought to market along with Elf Aquitaine, Meanwhile, Mr. Balladur is maintain a kind of shadow EMS,"

Rhone-Poulenc, a chemical com-

delegation of business leaders to French rates under German levdiscuss the current economie situation. While officials have not dis-■ Bank of Spain Cuts Rate closed the agenda for the meeting, The Bank of Spain decided not to wait for the Bundesbank and cut the French minister is expected to hear some oot-so-subtle demands its key interest rate on Friday, from industry for an easing of the

current squeeze resulting from the

wide spread between the stiff level

percent, The Associated Press reof interest rates and the absence of any real underlying inflation. ported from Madrid. The cut in the benchmark rate, at Still, a number of establishment economists oppose any change in the current policy. Jean-Paul Berwhich the central bank lends funds to commercial banks, was the secbeze, director of economic research ond since the European Communiat Crédit Lyonnais, said he expectty's monetary grid was loosened ed Germany to cut rates within a last month. month, allowing French short-term

Many ecocomists, executives interest rates to fall to about 6 and union leaders have said lower percent by the end of the year withrates were imperative for Spain's struggling economy, which is sad-dled with 22 percent unemployout any significant decline in the frane against the mark. "We should ment and the prospect of recession through the end of the year. scheduled to meet next week with a he says, "and not try to push

Spanish Unions Balk at Pact

AFP-Exad News

MADRID - Unions said Friday that government proposals for social-pact negotiations were "unacceptable" and required too much of a sacrifice for plans "that do oot create jobs.

Talks were held Thursday among the government, unions and employers. Finance Minister Pedro Solbes said the government's offer and 1996 under the latest propos-

tional 1 percent above this for such factors as seniority and professional mobility. The deal also included rules to increase the requirements for qualifying for pensions and unemployment benefits.

Mr. Solbes said that workers would lose 5 percentage points of purchasing power between 1994 centered on a wage increase of 1.5 als, compared with the 6 points percent for 1994, with up to an addi-originally proposed.

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HELP: U.S. Seeking a More Efficient Way to Retrain Laid-Off Workers Continued from Page 9 budget for existing efforts as the Economic Dislocation and Worker Adjustment Assistance program. The costs, the proposal indicated, would roughly triple by 1998. The \$180 million Trade Adjustment Assistance Program, which reaches about 23,000 workers a year, is apt to continue at least temporarily as an independent program. Existing programs either provide a very limited number of services or limit the eligibility to workers who lost their jobs because of imports, military cuts or the Clean Air Act. The new

they attend school.

"Some streamlining would be very benefi-cial," said David Seidel, a state official in Al-

adjustment assistance program would fold most of these programs into one.

More important, it would be available to any workers with two or, more likely, three years on the job. According to the proposal, about 2.2 million such workers are potentially eligible for job placement services and cash grants while they attend school.

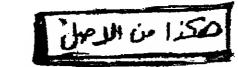
People whose job involves helping dislocated workers get their lives back on track say that the proposed changes would help them reach more workers faster.

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For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.



JVC's Growth Is Stuck on 'Rewind' VCR Maker Finds Few Consumers Ready to Trade Up

Bloomberg Business News

TOKYO - The fancy videocassette recorders and color televisions that fueled the earnings growth of Victor Co. of Japan during much of the 1980s are proving a real drag

on profit in these more austere times.

Victor, known as JVC, is Japan's leading maker of VCRs, and around 75 percent of its revenue is tethered to the slumping consumer-electronics market worldwide.

In 1992, JVC embarked on an aggressive cost-cutting plan to reverse a 26 billion year (\$246.8 million) current loss it posted for the year ended March 31. The company had hoped to return to profitability by next year, but analysis say it could take several years. The two problems standing in the way are the strong ven and slow demand for the company's main line of consumer electronics. The market for home electronic gadgets is saturated, and recession is making consumers

think twice about replacing videos and stereos they bought a few years ago.

VCRs account for 40 percent of JVCs sales, and VCR production fell 24 percent last year, according to the Electronics Indus-tries Association of Japan. JVC's overall sales shamped 15.4 percent to 513 billion yen in the

year ended in March.
"The main area of JVC's business is still very bad," said Katsuhiko Sugiyama, an industry analyst at Lehman Brothers. "The company bas pushed itself too far into the andio and visual market."

What really hurts is that the lucrative Japanese domestic market is in the doldrums.
"Most of these companies rely on the domestic market, where the margins are three times as fat as they are on overseas markets," said David Benda, an industry analyst at Barclays de Zoete Wedd. "What these companies need is a recovery in the domestic

market, particularly JVC." But recovery still seems remote. The indus-

"The main area of JVC's business is still very bad.' Katsuhiko Sugiyama, an analyst at Lehman Brothers

try association said this week that production so far this year was down a further 13 percent for televisions and 20 percent for VCRs. Meanwhile, overseas sales are being pummeled by the high yea. JVC depended on overseas markets for half of its sales last year.

But since the beginning of the current finan-cial year on April 1, the Japanese currency has been an average of 18 percent higher against the dollar than it was a year earlier. JVC also faces the unusual dilemma of having to compete against its parent company, Matsushita Electric Industrial Co. Matsu-

shita owns 52.4 percent of JVCs stock but

has chosen to keep up the competition be-tween the two companies to sour both on to developing new products.

The pace of JVC's recovery will depend on how deeply it cuts costs and how quickly it can expand into new markets.

In addition to slashing 3,200 jobs last year and this year. IVC is moving to cut costs by reducing its number of models, standardizing components and shutting down sales offices and distribution centers.

JVC has a few bright spots in its inventory, mostly in areas that are relatively new to it. Sales this year will be cushioned by strong demand for its laser-disk karaoke machines. Karaoke, a form of singing along with recorded music, is booming in Japan as a low-cost

But the karaoke equipment industry is near-ing saturation, too. So JVC will have to lean on new products such as digital video players, communications equipment and multimedia goods. JVC and the video-software leader Sega Enterprises Ltd. are working on a new generation of video-game machin

One possible plus for the company in the middle of the decade will be a revival in demand for television sets and video players, especially as the Japanese economy improves.

"Sooner or later, everyone's boxes will get old, and they will want to replace them." Mr.

Benda said. Then it will be time for JVC to

Japan's Surplus Widened in July To \$11.8 Billion

TOKYO - Japan's current-ac-

count surplus grew to \$11.82 billion in July, its 28th consecutive month of expansion, the Finance Ministry announced Friday.

The imbalance in the current account, which measures trade in goods and services and other capital flows, has been a major source of friction between Japan and its trading partners. In June, the gap was \$10.7 billion.

The trade surplus accounted for most of the July imbalance. It swelled 22.3 percent from a year earlier to \$13.69 billion, with ex-ports rising 9.5 percent to \$31.44 Hitachi Ltd. said. billion and imports edging up just 1.1 percent to \$17.55 billion.

Ministry officials, however, said the yen's appreciation against the dollar in recent months had inflated the value of Japan's exports while deflating that of imports. Lower crude-oil prices also pulled

down the import figure, they said. The dollar's average value was 108.21 yen in July, down 14 percent from 125.57 yen a year earlier. Crude-oil prices in the same period fell 11.8 percent to \$18.16 a barrel,

Next week in Tokyo, Japan and the United States will hold their first round of talks aimed at reducing the surplus since a framework cement on the issue was reached in July by President Bill Clinton and former Prime Minister Kiichi

In another report, the Finance Ministry said Japan's oet purchases of foreign stocks had grown to a three-year high of \$1.38 billion in July from \$1.24 billion in June.

Miyazawa.

Foreign investors, meanwhile, resumed buying Japanese stocks, as their net transactions swung to \$481 million in purchases from oet sales of \$96 million in June.

■ Drop in GNP Forecast

The Hitachi Research Institute said it expected gross national product to contract 0.4 percent, after adjustment for inflation, in the year ending in March 1994, AFP-Extel News reported. It said the yen's sharp appreciation and the cool summer in Japan had hurt consumer demand.

Japan's real GNP grew 0.8 per-cent in the 1992-93 fiscal year. The contraction in the economy would be the first since 1974-75, when inflation-adjusted GNP fell 0.2 percent, the research arm of

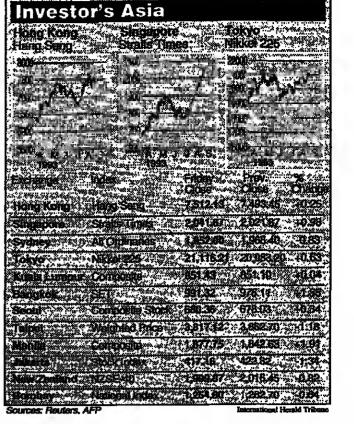
DDI Rises 47% On First Day

TOKYO - Shares of DDI Corp., the long-distance tele-phone carrier that made its initial public offering Friday, end-ed at 5.41 million yen (\$51,183) on the Tokyo Stock Exchange, up 47 percent from the listing price of 3.7 million yen.

Optimism surrounding the listing helped push the Nikkei 225-stock average up 0.63 percent Friday. Traders and analysts predicted that DDI shares would remain at or near current levels next week.

The successful DDI listing will pave the way for other new listings, including JR East, to be listed on Oct. 26, and Japan Tobacco, scheduled to list in February.

"People who double their money on DDI today will gather a lot of excitement for JR," said Christian Howes, a salesman at Smith New Court.



Very briefly:

 Thailand's Securities and Exchange Commission will allow finance companies and commercial banks, including foreign banks, to underwrite and deal debt instruments; until now, only securities companies have had the right to underwrite bonds.

The Philippine economy, nearly stagnant for several years, showed signs
of recovery by growing 3.48 percent on an annual basis in the second

quarter of the year, the government reported. Bank of China reported that private hard-currency deposits expanded by \$1.94 billion in the first seven months of the year, to \$8.04 billion.

Oantas Airways is selling its 49 percent stake in Thomas Cook Australia to the travel company's London parent, Thomas Cook Group Ltd.

 Nippon Steel Corp. will suspend its dividend for the first half of the business year that began April 1, Japanese media reported. . Japan's Ministry of Finance has licensed the Big Four securities bouses and the Bank of Tokyo to operate trust-bank subsidiaries,

 Olympus Optical Co. said that because of the yen's rise, it now expected to break even in the current business year, after having previously forecast pretax profit of 12 billion yen (\$114 millioo). • Matsushita Electric Industrial Co. said it planned a 1.4 billion yen

venture with Beijing Jinghan Electronics Co. to make electronic components for the Chinese market.

Bloomberg, AFX, AFP, Knight-Ridder, AP

Yamaichi to Pay Back 50,000 Investors

Compiled by Our Staff From Despatches TOKYO - Yamaichi Securities Co., Japan's fourth-largest broker-

age, will pay 10 billion yen (\$95.23 million) in compensation for misleading individual investors, the

Jumbo" fund, set up in 1991, said Ryuji Shirai, Yamaichi's senior managing director. The mortgagebacked securities use cash from home-mortgage repayments to pay interest and principal on bonds. Investors may have been misled Mr. Shirai said. About 105,000 accounts, held by up to 50,000 clients, are subject to

compensation, he said. The company will demote a senior managing director, Tatsubiko

Kutsuzawa, to managing director in connection with the case. It will also cut the pay of Yamaichi's president and chairman for three months, Mr. Shirai said.

He said Yamaichi regarded the situation as an infringement of Japan's Securities Industry Association rules, which stipulate that a salesman cannot give misleading by Yamaichi salesmen to think the information to investors.

not constitute a violation of Ja-pan's Securities Exchange Law, which says a securities company cannot knowingly publish misleading information to solicit business.

Japan's Securities and Exchange Surveillance Commission, an industry watchdog, investigated Yamaichi in connection with the mortgage fund from February to March, Mr. Shirai said. The results of the investigation are pending, he said.

The compensation payments will recorded on the company's ings report for the year ending next March as an extraordinary

reported Friday. Yamaichi shares closed Tokyo

trading down 19 yen at 824. The industry association also announced on Friday that it was imposing a 40 million yen fine on Cosmo Securities Co. for engaging in off-balance sheet deals, known as tobashi, to shuffle funds amone client accounts to conceal losses. The practice eventually caused

Cosmo to suffer a loss estimated at 70 billion yen, nearly equal to its total assets. As a result, the company became a subsidiary of Daiwa Bank Ltd. under a bailout plan. (Bloomberg, AFP)

Malaysia's Growth Surged

laysia's economy powered its way to double-digit growth in the second quarter, its finance minister appounced Friday, despite an earlier government forecast of a slowdown. Real or inflation-adjusted.

ross domestic product surged the second quarter, compared with 8.1 percent in the first quarter and 9.1 percent a year earlier, Finance Minister An-

Malaysia's central bank, Bank Negara, had projected that the economy would slow to 7.6 percent growth this year from 8.0 percent in 1992 because of bottlenecks that have built up in the economy.

But economists said the second-quarter performance indicated growth this year was like-

percent in 1992 from 4.4 per-

MURDOCH: South China Morning Post Sale Signals Shift Toward TV

Continued from Page I and 50 percent of British Sky

Broadcasting Ltd.
South China Morning Post (Holdings) owns a 13.5 percent stake in Thailand's Post Publish-

ing, which owns one of two English-language dailies, the Bangkok "I am surprised they are selling

as they make so much money out of it, but they probably can't see much growth coming in the future," said Sue Johns, media director at J. Walter Thompson in Hong Kong. South China Morning Post (Hold-

ing a profit margin of 55 percent.
"English-language publishing is
no longer a guarantee of the most
upmarket audience in several Asian
markets," said Ms. Johns.

Singapore, the buyer of South Chi-na Morning Post (Holdings), which also publishes the Chinese lan-guage Wah Kiu Yat Po, is the Malaysian-based Kuok family, which has extensive business interests in southeast Asia and increasingly in China. The Kuok family had no

comment on the deal. "The stock market is often wellinformed about these things," said a South China Morniog Post

According to stock-market ru-mors in Hong Kong, Malaysia and democracy in Hong Kong before time to show the same high stanits return to Chinese rule in 1997. has raised local fears of encroaching media self-censorship.

> Robert Kuok, who heads a group that made its fortune in sugar and commodity trading before branch-ing into hotels, shipping and prop-erty, is one of 91 people selected by Beijing to serve as advisers on China-Hong Kong affairs.

The advisers group, which in-(Holdings) executive, who refused cludes many of the colony's richest to elaborate on details of the nego-executives, has often clashed with sion Broadcasting Ltd. That com-

tinue to show the same high standards of journalistic independence which are a crucial part of freedom of the press in a free society."

"If that doesn't happen, then Hong Kong will be all the poorer," Mr. Patten added. "Hong Kong and what Hong Kong stands for are a vision of the future, oot a blast from the the past, and that very much includes freedom of the press."

The Kuok family owns a 33 percent stake in Hong Kong's Televiextensive library of Chinese-langus regular editorial support from just two local newspapers, including the South China Morning Post.

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company announced Friday.

The money will cover losses on trading to U.S. mortgage-backed bonds in Yamaichi's "Mortgage

TOKYO — Talks between Japan and the European Community on

further curbacks in Japanese car ex-

ports to Europe went into overtime

Friday, with an agreement unlikely

A European official said that the

talks, which began Thursday and were initially scheduled to last only

two days, were likely to continue at

agreement," said an official of Ja-pan's Ministry of International Trade and Industry. "If we cannot reach one this time, I'm not sure

in July, the two sides agreed that

"It's very important to reach an

least until Saturday morning.

until the weekend, officials said.

EC-Japan Car Talks Drag On the European market was detecto-

> The EC Commission is pressing for a cut in imports of Japanese cars and light vehicles of around 18 percent, nearly twice as much as a 9.4 reduction agreed in April.

rating more sharply than expected but failed to quantify the extent of

At that time, Tokyo and Brassels agreed that the European car market would contract by 6.5 percent Now, EC officials in Brussels say the commission is maintaining that car sales will drop an overall 16 percent this year and the Japanese side is estimating the reduction at

To 10.4% Rate in Quarter Compiled by Our Staff From Depatches KUALA LUMPUR - Ma-

Investment **Strategy East** And West

OP down or bottom up? It's one of those difficult investment questions where the answers raise more contentious issues than they settle. But the fact that it is being widely asked among international investors and in brokers' circulars tells us two things. First, it confirms that an already well-established investment pat-tern will continue into the middle years of this decade. Secood, it illustrates the widely differing notions of what investing should be about. Specifically, there is a disagreement between the East and the West among investing oations as to which approach is pref-

To expand that original questioo: Should investors approach committing money by looking at the macroeconomic situation (the health of the industrial sector, the vitality of the country's ecooomy, etc.)? Or should they abandoo the ecocomic overview - the view from the top — and go out in the field to do their research? Should they sniff around at grass-roots level until they find an investment prospect they like from the bottom up?

It's not a new debate. But the renewed energy with which these issues are being batted about tells us clearly that investment managers have recovered their confidence. Once again, they think that they can beat the market. The mountain is climable, it's just a question of choosing the route and the equipment. The corollary is a quiet requiescat in pace for index investment. No funds in the United States or United Kingdom beat the respective equity indexes each year every year, according to one London-based fund manager. Apparently, we are not to expect the same story in the 1990s.

Just how the investment peaks will be scaled depends, it seems, on where the managers live. Asia, in particular Hong Kong, is witnessing a revival of aggressive stock-picking based oo the bottom-up theory of investing. Among Western investment houses the approach is more mixed, with the sector investors probably in the majority. Western skeptics argue that the bottom-up approach is forced oo Eastern investors because the data is less reliable. Or is it, as some Eastern firms argue, that the Westerners expect to sit

FIRST COLUMN Daredevil Derivatives **Looking More Angelic**

By Philip Crawford

THE great news from global equity markets keeps pouring in. This week witnessed a three-year high for the DAX in Frankfurt, a new record for the Nasdaq composite in New York, and a breakthrough in Tokyo. Paris, Madrid, and Amsterdam continue to set new records. Great news, indeed.

But what if it's too great, and the markers are fully valued — maybe even due for sharp declines? Where should investors fearing such big falls turn? The answer may lie with derivatives funds, which, analysts report, are increasingly popular among individual investors. Those bullish on derivative funds say investors are beginning to understand that these vehicles are oot necessarily the highly speculative, casino-like plays they've loug been reputed as, but can be excellent alternatives to equity and bood market in-

These funds offer two main benefits to the oervous investor, say analysts: The value of a derivatives fund tends oot to swing wildly "low volatility" in market jargoo), oor does t usually move in line with the underlying market (such as the share or commodity markets) in which the "derivatives" invest. This second benefit is an attribute known to commentators as a "low price correlation" with the underlying market. In other words, even if shares crash, derivatives funds need not necessarily follow.

But what is a derivative, anyway? The man in the street, even one who invests regularly in equity and bond markets, often doesn't really know what derivatives are, let alone how to make informed trading decisions with them," said Didier Varlet, president of Chicago-based Carr Asset Management, a derivatives management subsidiary of French banking giant Banque Indo-suez. "That's why funds are the vehicle of choice for people who want derivative secu-rities in their portfolios. Managing leveraged assets is a full-time job, and with funds, that's what investors are getting - the con-

stant attention of a professional trader." Generically speaking, derivatives are financial instruments such as futures, options, and warrants, whose value fluctuates according to the price movements of an underlying security or commodity. A fund which markets itself as a derivatives fund typically invests from 20 to 50 percent of its assets in derivative securities, although allocations can vary widely as to the type of derivatives used.

trader purchases the right to buy (a call option) or sell (a put option) a stock, bond, commodity or currency at a certain price within a given time period. Since only the right, not the obligation, to make the deal is heing purchased, potential loss is limited to the cost of the option, but options based on widely expected market movements are ex-pensive. If the underlying security performs as the trader hopes it will over the defined time period, he will typically sell the option back into the market at a profit rather than actually

Futures are contracts to buy and sell commodities or financial instruments at an agreed price and quantity at a future date. The value of futures contracts, moreover, fluctuates according to changes in the cash price of the commodity, much like the value of bonds rises and falls along with changes in interest rates. Traders enter the futures market by taking a position as a buyer (going long) or as a seller

(going short). Warrants, finally, are somewhat like options. They involve paying a fraction of a company's share price now for the right to buy a certain oumber of its shares at an "exercise price" within a given time period, typically one to five years. Traders buy call warrants if they think the share price will rise higher than the sum of the exercise price and the cost of the warrant itself. When that fails to happen, the warrant is referred to as being "out of the money."

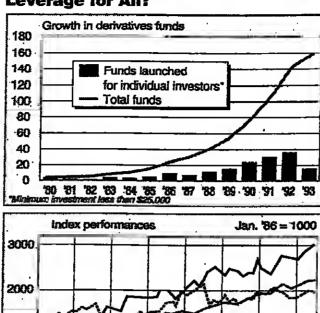
The knock against derivatives has been

their volatility, a result of being highly leveraged securities. An investor can control a \$100,000 futures contract, for example, by investing just \$10,000, rendering every 10 cent move in the commodity price worth \$10 to the investor. A \$100 move in the cash price of the commodity could either double the investor's money or wipe him out. Such scenarios have helped give derivatives their reputation as instruments for the daring or the foolish.

But analysts who have a favorable view of derivatives funds argue that they are at least as "safe" as funds focusing on more mainstream securities. Most derivatives funds invest in a wide range of securities, and the combined effect of these volatile instruments

is a paradoxically solid investment performance. "A well-managed derivatives fund is certainly no more risky than a bond or equity fund," said Mickey St. Aldwyn, senior manager of international derivatives at E.D. & F. Man in London. "The key is managing the risk, and that involves, above all, discipline in

Leverage for Ali?



1000 JP Morgan Govt. Bond index

trading. Before you take a position, you define how much you are willing to lose, and if you

reach that point, you get out."

Mr. St. Aldwyn said that another key to a successful derivatives fund is investing in instruments that have a reasonable degree of liquidity, enabling a trader to get out of an unwanted position within a relatively short period of time. "Needless to say, liquidity is also important to investors," he said. "In derivatives, monthly liquidity is usually satisfactory to them."

Some analysts argue that most experienced derivatives traders typically outperform major equity markets. "None of the traders we use show dropoffs of the kind that we see frequently in stock markets," said Mr. Varlet. "You just can't say that derivatives, when properly managed, are more risky than main-stream markets."

Mr. Varlet, noting that 60 percent of his clients are individual investors, said that Carr Asset Management utilizes 16 traders to manage 13 derivatives funds with total assets of \$420 million. His best trader, he added, returned 80 percent on assets managed last year.

One recently successful derivatives fund is Crédit Agricole's Green Way Guaranteed Fund, which returned 21 percent to investors in the year following its launch in June 1992, with only 3.3 percent volatility. About half of the fund is invested in various types of futures, including commodities, precious met-als, basic metals and financial futures, with the rest hedged into other types of securities. Based on the success of the fund, which was opened only to institutions with a minimum of 250,000 ECUs (\$217,000) to invest, Credit Agricole is considering launching two similar funds this fall, one of which will be aimed at high net worth individual investors.

Françoise Henry, the Green Way Guaranteed Fund's chief manager, says one reason she's so bullish on futures is that their time, so to speak, has yet to come. "The big money on financial markets has already been made," she said. "I think people recognize that and will look more and more to alternative types of investment such as derivatives. Bonds have made money for the past 10 years. What will make money now is having a new approach. Futures won't replace stocks and bonds, but investors will be increasingly interested."

There are, of course, as with any investment instrument, certain drawbacks to derivatives funds. One of them is the relatively high level of charges to investors. To start off, annual management fees range between 1 percent and 6 percent of investors' capital, and there are transaction costs for futures contracts. Then, there are performance rewards to traders, whose main source of personal income is often a percentage of the return he or she. achieves on assets invested. A typical trader performance award is 25 percent of return.

Guaranteed funds, io which investors are assured of receiving at least their minimum investment when the fund closes, are even harder to profit from, since a good chank of. the fund's assets has to be kept totally free of risk in order to make good on the guarantee. There are some funds where the return has to

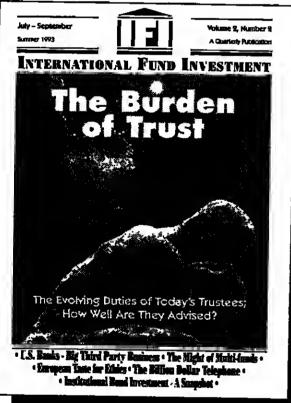
he 15 percent to 18 percent before investors even break even," said Nicola Meaden of the London-based investment information and monitoring firm Tass Management Ltd. "Fortunately, things are changing and the oumber of funds like that is decreasing.

Ms. Meaden said that minimum investment levels in derivatives funds can range. from \$5,000 to \$100,000, and that the industry is trying to make such funds more accessible to the small investor.

Most analysts who are bullish on derivatives funds nevertheless caution that such instruments should be used in moderation by retail investors. "Ideally," said Mr. Varlet, "derivatives funds should make up 10 percent to 20 percent of one's portfolio."

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Financial Thinking Beyond the Jargon

By Rupert Bruce

is not enough. You may Mr. Ross. have thought that decidment portfolio, if you prefer investment jargon — was a question of collecting up-to-date financial data and calculating esoteric financial ratios. But investment managers say otherwise: Private investors should initially follow a specific set of hroad guidelines. Only then should they choose whether to cather the world of price/earnings ratios. They would start looking at overseas market is a portfolio devoted to each region share or a stock market index. Any should oot rise above two-thirds.

Private investors who try to skip in and out of markets are notorious for getting it wrong. They are not should they choose whether to cather the world of price/earnings ratios.

Another measure of value is the

tios, yield gaps, and so on. Alastair Begg, chief investment officer at Kleinwort Benson Investment Management, believes the first rule is to make sure that you have some surplus cash and that have some surplus cash and that you have a stake in your own home.

Then you can start thinking about whether it should be bonds or equities and whether they should be from the United States, Asia or anywhere else.

John Ross, portfolio strategist at Edelity Investment Services in Factoria and the state of the state

in bonds or cash, because it would market. "Always diversify your asjudge equities too volatile. But if sets. Do not put everything into the the money was not required for U.S. stock market because it looks three years, Fidelity would choose best today, but also do oot control to the control of the equities, because they tend to outpletely avoid it if you think it is
perform other investments over the

And coming from that we would EING financially literate ask about their risk exposure," said

If someone said they wanted to ing how to invest your invest for five years, but be consermoney - or allocate your invest- vative, Fidelity would put them ment portfolio, if you prefer invest- into an incomes fund or a growth

To judge what a market is discounting, investors commonly look at the price/earnings ratio — the share price

Fidelity Investment Services in En-rope, said: "If someone came in off Southeast Asia, which is a dollar the street, we would say firstly: bloc." Overseas markets are thought What time horizon are you talking riskier than domestic markets beabout? Do you need money in the cause currency movements come into play. But Southeast Asia's developing Tiger economies peg their currencies to the dollar.

Mr. Begg believes it is a good idea to invest outside your home

idea to invest outside your home

"Second, we would say: 'What is ing which markets are about to do

which admit they often launch funds at the top of the market, Simon Davies, head of global investment at Gartmore Investment, said: "To be fair to unit trust mutual fund companies, the reason they adopt these tactics is because people won't buy things when they are bummed out. They sell people the only things they can sell them. So what people have to take out of their minds is the idea of momentum and they have to get into their minds some notion of value."

For those who want to try to work out whether markets are cheap, instead of just relying on the passage of a fair oumber of years to ensure they make money, a number of financial ratios are used.

your primary objective; are you well is a time-consuming job that should be used to work out what a looking for income or capital gain? well is a time-consuming job that should be used to work out what a many professionals fail to get right market is discounting in the future, more than 50 percent of the time, and relatively little time should be Instead, he would recommend that taken up with working out what is

investors get their overseas expo-sure through global mutual funds.

Failing that, Mr. Begg would advise splitting investments outside at the price/carniogs ratio — the the United States between the Pashare price divided by carnings per says the proportion of an overseas share or a stock market index. Any hordrolio devoted to each region should oot rise above two-thirds.

Private investors who try to skip tio is and whether it is high or low.

> Another measure of value is the yield ratio. To calculate this, the income yield oo a long-dated bond is divided by the income yield on the market index. lo the United States, roughly speaking, a yield ratio of three indicates the market is expensive and o ratio of 2.2 that it is not. Last week, the yield ratio was about 2.4, indicating that the market was not too expensive.

Mr. Davies said: "People talk about how high the U.S. equity market is, but they forget that we .3 have not had a period for 30 years when we have had bond yields at around six and cash at three."

The region that Gartmore is most keen on at the moment is Southeast Asia because it has a relatively high growth rate, but price/earnings ra-tics below those in the more sluggish

developed markets.

A little farther east, however, is the market it likes least: Japan.
"That is a classic case of what is a market-discounting," said Mr. Davies. Things will clearly get better there, that is not in dispute. But on a price/earnings ratio of 80 times, that is clearly going to have to be quite strong to bring things into line." Mr. Davies says these ratios

BRIEFCASE

AIDS Cost to U.S. Insurers

Put at \$6.3 Billion Since '86 The AIDS epidemic continues to take its toll on U.S. life and health care insurers. According to a recent survey conducted jointly by the American Council of Life Insurance and the Health Insurance Association of America, insurers paid out approximately \$1.4 billion in claims directly relating to AIDS in 1992, more than four times the amount paid out in 1986, when statistics were first compiled. The industry's total in AIDS-related claims since 1986 has oow reached about \$6.3 billion.

The survey's conclusions were based on data from 365 companies, which collectively paid an estimated 72 percent of all claims filed against U.S. health care insurers in four major product areas: individual life, group life, individual accident and health, and group accident and health.

Some Tips for Cardholders **Looking for Cheaper Credit**

If the credit card in your pocket carries an interest rate of around 17.5 percent, it's past time to go shopping for a better deal.

"Millions of U.S. cardholders have found better rates, but there are tens of millions more who should take advantage of low rate offers," said Robert McKinley of RAM Research. "If you just can't get that bill paid off each month, look for a card with a low interest rate. You should be able to get one for around 12 percent," he said. Anything lower would require high net worth, or excellent credit. Below 10 percent, you may have to pay an annual fee of as much as \$35, but if your unpaid balance is \$1,500 or more, it will be worth it in savings on interest payments.

If, however, you are one of the shrinking number of cardholders (about 30 percent) who pay off your balance each month, you should look for a card with oo annual fee. You won't have to look far, since there are hundreds of them around these days.

Tempted by credit card perks like frequent-flier miles and credits toward purchases of new cars? Be sure you understand what you are getting into, warns the credit card expert. Cards with these perks typically charge at least 16.5 percent interest on un-paid balances. "If you've got a \$3,000 balance, you can switch it to a card at 12 percent and save some real money," Mr. McKinley

said. "Then you can get whatever card you

The interest rate is the most important issue for most cardholders, Mr. McKinley emphasized. But he added that habits are changing. U.S. cardholders used to add 15 to 20 percent to their balances each year; last year, it was only E to 9 percent, and in the first half of this year, it fell to only 4 percent.

U.K. Thrift's Offshore Unit Offers New Tier of Interest

Woolwich Guernsey, an offshore subsidiary of the giant U.K. thrift, the Woolwich Building Society, has added a new tier of interest to its sterling account. Investors committing more than £250,000 (\$375,000) will receive interest at 7 percent. The firm's dollar account offers 2.396 percent on sums above \$25,000.

Minimum investments are £10,000 and

\$10,000, respectively.

For more information, write Woolwich Guernsey, La Tonnelle House, Les Banques, P.O. Box 341, St. Peter Port, Guernsey: or call Guernsey (44 481) 715735.

THE MONEY REPORT

Stock Analysts Go Global With Companies

By Karina Robinson

EW international commentators would argue with the proposition that investment flows are becoming more global, as investors expand their knowledge and exposure to foreign companies and mar-

But the criteria on which they base their investment decisions are subject to controversy. Simply put, should you value the company by comparing it with its international prospects for its home stock market?

Conventional wisdom has it that investors are moving more and more toward sector analysis. A straw poll of brokerage and fund makes more money for investors.

at James Capel in London, said: by failing to see the change of senti-ment in a local market. Take troubled car company Fiat as an example. Its share price has almost doubled in the last six months due

This is despite a less-than-favorable outlook for the company, which would be posting losses this ment management consultants than it appears, because even in

Standing Out in the Crowd Stock prices (left-hand scales). Build of stock prices and industry performance" (right-term scales).

oil stocks rose earlier this year,

nesses. But as a car company it is predicting equity market move-betting its future on a range of new ments —very difficult. He suggests management houses confirms a betting its future on a range of new ments—very difficult. He suggests matter is whether this actually models to be unveiled later this industry returns, and his companies market mark selves unable to recommend such a

Italian mutual funds were underweight in the stock and were bound French ones followed. Rises and to rumors about alliances and asset to buy, while speculation about an falls in the price of oil affect all the alliance Renault was set to push the companies, wherever they are

year were it not for extraordinary Quantee, argues that many investors local investor behaver gains from seles of non-core busitors have found market timing — ior differs significantly, which in ior differs significantly, which in turn leads to divergence in stock prices, despite the fundamentals being possibly very similar. For exatter is whether this actually month, in an unfavorable market industry returns, and his compa- ample chemical companies in Gerakes more money for investors.

William Cowan, Italian analyst in general find themough on industries rather than countries. tend to be looked at more favor-The argument that certain indus-Sector analysts can miss the boat company because they rely on fundamentals such as earnings growth.

But a country analyst could have seen that at the end of last year ceuticals and chemicals. When U.S. an important factor in an invest-

> Yet the move toward more sector analysis continues, especially in Europe. "In the last few years sec-tor influence has been increasing in Europe," said Scott Jaffray, head of European equities at Norwich Union. "The exchange-rate mechanism might have had a lot to do with this as it forced countries' economic policy to share common ground. The breakdown in the monetary system probably means we will find a reversal of the trend."

ment decision.

Another inconvenience in classifying investments by sector is that companies are becoming ever more complicated in what they do. On who work together. But in many the one hand, they are becoming other houses, country analysts are increasingly multinational, and as their earnings originate in different countries, the local economy. which in turn affects the local stock market, declines in importance.

Dan Rie, director of equity investments at Boston's Colonial Investment Management, sees this as nies in such a large economy,

Doing Well on Their Own.

part of the reason sector analysis is becoming more important. "You cannot be a country-based analyst and see the whole picture," he said. Product markets are becoming more integrated internationally. If you analyze a company, you need to know about its competition, which is likely to be abroad, so it becomes a cross-border issue."

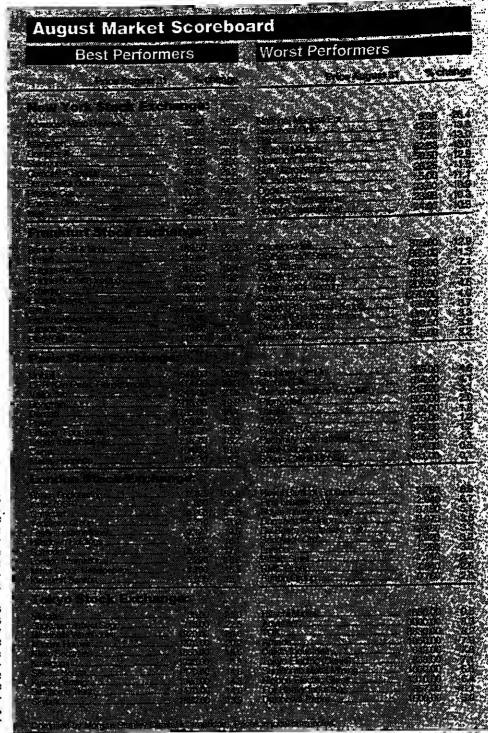
This argument favors sectoral analysis, but it is complicated by companies often being exposed to more than one industry.

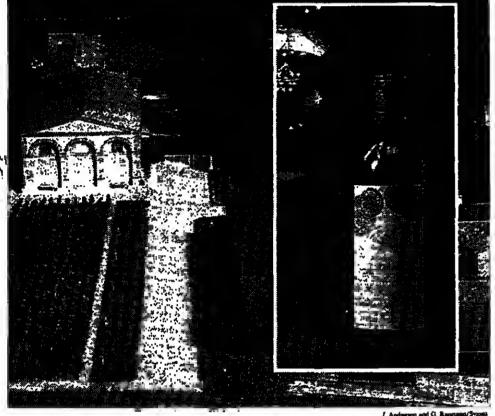
Ouantee's Mr. Fishwick says the

solution is to use multiple industry classifications for such companies. His company believes that the conventional wisdom that markets dominate a stock's performance is wrong and that global sectors are just as important. "But another central conclusion we have come to is that it all depends on what you want to find," he said. "Take Hol-land, where if the price of oil rises, the market rises, as Royal Dutch Shell is such an important part of it. But you could call it a global energy effect because oil stocks around the world are also rising." Goldman Sachs' European equity strategist Sushil Wadwani re-

searched the convergence of European stock markets to see if country analysis would become superfluous. He found that European stock markets were undoubtedly becoming more correlated, but that this was a worldwide phenomenon and not the result of the move toward a single market. He concluded that country analysis was indispensable, as "the country factor easily dominates the industry factor in explaining an in-dividual company's stock market

As a result, Goldman Sachs has both country and sector analysts who work together. But in many on the wane, and those that remain are often also sector analysis. Brokerage houses insist the pressure toward sector analysis has come from investment managers, espe-cially those in the United States, who are used to comparing compa-





Château Mouton-Rothschild and a bottle in the château's wine cellar.

Wine Market Starts to Bubble Again

By Aline Sullivan

FTER a tough year, international wine brokers and auctioneers are detecting renewed enthusiasm among wine drinkers for the great Bordeaux vintages of the

Last summer, the auction house Christic's was selling Château Mouton-Rothschild 1982 for £720 (\$1,080) a case. A year later, the price has climbed to £1,200. Paul Bowker, a wine expert at Christie's. argues that there is still some upside to the market, particularly for the 1985 and 1986 vintages, which have not yet realized their potential. "It's a good time to buy," he said.

Investing in wine presents some daunting problems for the novice. Perhaps the biggest is storage: Fine wines need to age at least 10 years and poor storage in the meanwhile is likely to turn an investment to purchasing wine that has been stored by amateur collectors. Most scrious investors, therefore, store their wine with professional storage

Another problem at present is the inferior standard of the 1991 and 1992 vintages. This means that the option of buying wine en pri-meur, or before it has been bottled, is far less attractive than it was through most of the 1980s, when there was a succession of remarkably good vintages.

Wine bought en primeur usually offers the best potential returns for investors because it is notoriously hard to predict how well a wine will age. The gap between the seasoned moisseur and the first-time buyer is narrowed. Although there have been no disasters so far in the 1993 season, professionals say it is still too early to make any predictions about the quality of the vintage.

The good news for investors now is that a succession of extraordinary Bordeaux vintages in the 1980s and the subsequent economic recession has meant that many top bottled wines look cheap.

The younger vintages are less pricey because there were so many outstanding years in the 1980s, said Mr. Bowker. "Investors can buy at auction wines from 1988 and 1989 at the same prices or less than the en primeur prices two or three

years ago. Many wine professionals say that investors need to move quickly before values increase further. "By September, there will be a lot more buyers than sellers and then prices will start to rise," said Stephen Browett, a wine broker at Farr Vintners in London. "It is still a good time but people shouldn't hang around."

particular vintages. When the managing director of Château Mouton-

Today, the international connec-

tioneers offer good guidance on the particular château in a particular direction of the global market for year. But the third major consider-

Rothschild was asked in 1975 why back," said Edward Demery, sales he had chosen Christie's for a ma-director at London wine merchants jor sale, he replied: "We have cho- Justerini & Brooks. "Once the Japsen London and not the Salle anese market is back on the rails, Drouot [the leading Paris auction and there are signs that is happenhouse]) in order to profit from the ing, there should be some notice international clientele."

Mr. Bowker agrees that there is tions of the London wine market are more confidence in the market attracting both Americans and Jap-now. "Suddenly, there has been a anese investors, who are well placed shortage of wine coming to the

Once the Japanese market is back on the rails, and there are signs that is happening, there should be noticeable price rises.'

the dollar and the yen relative to said. "People are no longer talking sterling. The strength of the French about recession. At the same time, franc has no impact on the current demand is rising."

market because these wines were Investors anxious to buy at the purchased several years ago.

"Changes in the exchange rates have completely revitalized the export market," said Mr. Bowker. The majority of our wine comes from the British sellers so Americans buying, for example, a case for £1,000 are getting much better val-Many investors in the 1980s

made the mistake of choosing second-rate wines, which have since declined in value. Only the top wines are worthwhile, professionals say. Most of these are red Bordeaux but some white sauternes, especially Château d'Yquem, are always in demand. Investors should also confine their buying to French vintages because they are the benchmark hy which others are measured. "There are great wines around the world but they are not great investments," said Mr.

Currency fluctuations are one aspect of investing in wine. Supply is another and one in which profes-

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to buy wines from London mer- market because the people who chants on account of the strength of needed to sell had already sold," he

> very bottom of the market should consider investing in vintage port. Merchanis and auctioneers say increased concern about driving after drinking and worries about healthy living have hurt port sales. Also. a shift in British dining habits to serving cheese before dessert rather than after has meant that people no longer know when to drink port. buy port," said Mr. Bowker. "The

"It is an extremely good time to 1983 and 1985 vintages are selling at £10 to £12 a bottle, less than they were sold for originally."

No Falloff in the Great Latin American Sell-Off

Starts to Bubble Again

Starts to Bubble Again

London has long been a major sional buyers will always have an exter of the wine trade and its advantage because they are likely to

AY the word "privatization," and the immediate association of many investions is Eastern Europe, where the sell-off of state-owned companies has poured the foundations on Argentina's two privatized telephone companies has poured the foundations on Argentina's two privatized telephone companies has poured the foundations on Argentina's two privatized telephone companies has poured the foundations on Argentina's two privatized telephone companies has poured the foundations on Argentina's two privatized telephone companies has poured the foundations on Argentina's two privatized telephone companies has poured the foundations on Argentina's two privatized telephone companies has poured the foundations on Argentina's two privatized telephone companies. Telefonica de Argentina's two privatized telephone companies has poured the foundations on Argentina's two privatized telephone companies. Telefonica de Argentina's two privatized telephone companies has poured the foundations on Argentina's two privatized telephone companies. Telefonica de Argentina's two privatized telephone companies has poured the foundations on Argentina's two privatized telephone companies has poured the foundations on Argentina's two privatized telephone companies and we feel that they will continue to do so."

The last two years have also with decent second quarter and my rating is based partially on that."

A LEPETO Vienes who covers the Latin decent second quarter and my rating is based partially on that."

A LEPETO Vienes who covers the Latin decent second quarter and my rating is based partially on that."

A LEPETO Vienes and its will reflect the favorable decent second quarter and my rating is based partially on that."

A LEPETO Vienes and its will reflect the favorable decent second quarter and my rating is based partially on that." center of the wine trade and its advantage because they are likely to companies has poured the founda-brokers, wine merchants and auc- know more about the supply of a tion for fledgling free market econ-na, sold off in December 1991 and been under government control omies. Other investors, amid today's Euro-dominated headlines. might think of France, where the privatizations of nationalized behemoths such as Banque Nationale de Paris and Rhone-Poulenc are being anxiously awaited. But the most comprehensive sell-

olf of state-owned enterprises in recent years has taken place in Latin America, and analysts are looking for the trend there to continue. Telephone companies, banks, utilities and oil concerns have all been part of the process, and the resulting publicly traded shares have, by and large, performed well. Analysts, moreover, say that many newly privatized companies should continue to do well for shareholders.

The biggest Latin American privatization this year, indeed the largest initial public offering glob-ally, was the June sell-off of the Argentine state oil company Yacimientos Petroliferos Fiscales, or YPF. The public was offered 45 percent of the company, with U.S. investors scooping up about 25 percent of the S3 hillion offering. While many of the shares were sold again almost immediately for a quick trading profit, many analysts remain bullish on the stock, which is available through ADRs on the New York Stock Exchange

"Given the falloff in the Argentine market during the summer of 1992, we felt that it was perhaps too soon to bring YPF to the market," said Ondine Smulders, who follows Argentina for Paribas Capital Markets in New York. "But in retrospect, it has worked out very well. The shares have performed well,

available on the London International Exchange, and Telecom de Argentina privatized in March 1992 and available through ADRs in London and New York. The Telefónica privatization went smoothly," she said, "and we still have a short-term buy on its shares. Telecom came to the market at a ridiculoasly high price, fell off immediately, and is still behind. But we see it as

LTHOUGH YPF was the first state privatization in Argentina since Telecom to result in publicly sold shares, the govern-ment has nonetheless been busy selling 60 percent stakes in utilities, water and sanitation companies to foreign industries and governments. Plans now are to sell 10 percent of what is left in those concerns to their employees, and to bring the remaining 30 percent stakes to the stock market sometime in 1994.

a 'buy' in the long term."

Mexico has also experienced vast privatization of state companies, beginning on a large scale in May 1991, with the self-off of Telefonos de Mexico. Telmex, as the company is often referred to, has been a solid performer for investors, having grown from its New York issue price of about \$27 to its current level of around \$53. Telmex ADRs can be bought on the New York and London International exchanges.

"We're buyers of Telmex," said Juan Carlos Garcia, who tracks the Mexican market for Salomon Brothers in New York. "Actually,

been under government control since 1982. The sales, largely to Mexican securities firms, have reaped billions for government coffers. Banamex, the largest bank, was sold to the country's largest brokerage, Accival, but shares in the new company, Banacci, are not listed, said Mr. Garcia. The second-largest privatized bank, Bancomer S.A., is a strong company, but warrants only a "hold" rating due to its price, Mr. Garcia said. Bancomer shares are not yet avail-

able through ADRs. "We're quite bullish on Mexico in general," Mr. Garcia added. "The country has transformed itself. In 1987, inflation was about 157 percent, and this year it will be in the single digits. The government is committed to a policy of economic growth. We also feel that these trends are irreversible, that Mexico will continue to be prosperous whether NAFTA goes through or not. And one reason is that the privatizations have attracted a large number of local investors, which are essential for continued growth."

The North American Free Trade Agreement, or NAFTA, aimed at liminating trade barriers between Canada, Mexico, and the United States, will be voted on by the U.S. Congress this fall.

Privatization has also been in the wind in Chile, where Compañia de Teléfonos de Chile led the way several years ago. Listed on the New York Stock Exchange since 1990, CTC represents another success story whose shares remain positively viewed by many analysts.

worked out very well, and we're

LFREDO Viegas, who Brazilian markets for Salomon Brothers, con-curred that CTC is a 'buy.' "Chile obviously has fewer compa privatize than do some other Latio American countries," he said. And Chile has also not been very friendly to foreign investors in the past. But that is changing."

Mr. Viegas added that Salomon has "buy" ratings on two other Chilean companies, Maderas y Sintéticos S.A., which manufactures wood products for the construction sector, and Madeco S.A., which make copper and aluminum prod-ucts. Both are available through ADRs in New York.

Brazil's flagship privatization took place in October 1991, when the huge steel firm Usiminas S.A. was auctioned off for \$1.17 billion to a group of Brazilian companies, with minority interests being ac-quired by Nippon Steel Co. and other Japanese firms. In early Au-gust, Usiminas reported first-half net profits of \$135 million, up 125 percent from \$60 million a year ago. While none of the privatizations in Brazil have yet resulted in the avail-ability of ADRs on foreign markets, analysts look for that to change.

"When the Collor governmen crashed, the privatization program stalled, and it is still somewhat in that state of affairs," said Mr. Vicgas, referring to the resignation of President Fernando Collor de Mello in late 1992 in the wake of a

that will perform well." Both Venezuela and Peru are also heading in the direction of increased privatizations. In August, Venezuela's legislature approved the sale of the remaining 49 percent of state telephone company Compania Nacional Anónima Teléfonos de Venezuela, or CANTV. The \$800 million offering may be made before the end of the year.

And in Peru, the government has signaled its intention to sell off vir-tually all state-owned companies within the next two years, including oil, electric, telephone, mining and railroad concerns.

The strong emergence of Latin American markets has prompted most international brokerages to follow the privatization movement closely. Investors can thus usually obtain information on upcoming privatizations and the international availability of shares through their own broker. Firms that specialize in researching Latin American markets include Foreign & Colonial Emerging Markets Ltd., global fund monitor Micropal, and Fund Research Ltd., all based in the United Kingdom.

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Philip Crawford





SPORTS BASEBAL

Braves Come Back to Beat Giants, and Yankees Gain on Blue Jays

In 'Biggest Game of Year,' Atlanta Cuts Deficit to 31/2

By William Gildea Washington Post Service
ATLANTA — The Atlanta Braves still intend to make a division race of it with the San Francis-

Trailing on Thursday night 3-0 after losing to San Francisco the night before, the Braves rallied with two runs in the fourth inning and three in the seventh to beat the

The hard-earned victory - Atlanta scratched out all its runs on seven singles and a double - gave the Braves the series, two games to nue, and lifted them within 3½

NL ROUNDUP

games of the first-place Giants in the National League West.
"I would say it's the biggest game of the year," said Braves re-liever Jay Howell. "This club has here through some his game in the

been through some big games in the last couple of years. We just down-played it today. You didn't want to play it up and create an atmosphere of fear."

Atlanta has won 9 of 11 and 18 of 22. The Giants have lost six of nine. This weekend the Braves will be home against San Diego and the Giants will be in St. Louis.

The sellout crowd was hushed in the early going, fearful that the Braves' pennant hopes were slipping away. But the quiet gave way as did the Giants' pitching.

The Giants had the chance to move on to St. Louis in a more confident frame of mind. But their starter, John Burkett, who was sensational in the first half of the season, compiling a 13-2 record, fiz-

"Anytime you have to take an out.

you've accomplished something," Howell said, "It's a plus to get Burkett out of there because he's a

Burkett left leading 3-2, but his bullpen couldn't hold the lead on a night it managed to keep the Braves' power to a minimum. The victory went to Mark Wohlers, the hard-luck loser Wednesday, when John Patterson homered in the ninth in his first at-bat of the season.

Steve Avery, the Braves' starter, suffered a reversal of fortune at an inopportune time, although it didn't matter. Avery had been 3-0 in three appearances this season inst the Giants and had won six of his last seven decisions. But he lasted only 3% manings Thursday, giving up six hits and three runs, including a solo homer by Barry Bonds, his 40th.

The Giants got a run in the sec-ond on a double by Matt Williams, an infield out and sacrifice fly by Royce Clayton. After Bonds's towering fly dropped over the right-field fence in the fourth, the Giants added a run on three singles, the last by Burkett, a .127 hitter. That finished Avery.

With a month left, it would have been nearly impossible if we had lost," said Avery. "Now we need some help from our friends

The Braves countered with two runs in the bottom of the fourth, ring Burkett with four singles. Damon Berryhill and Mark Lemke drove in the runs.

Patterson and Wohlers met up again hut this time Wohlers induced Patterson, batting for Burkett leading off the seventh, to foul



Otis Nixon beat the Giants' catcher, Kirt Manwaring, by just enough, sliding into home plate with the Braves' go-ahead — and winning — run in the seventh in Atlanta.

Braves made a move as if the pennant might be at stake.

With the crowd on its feet chanting and chapping, the Braves staged their game-winning rally. They ned the game at 3 off reliever Jeff Brantley. Pinch-hitter Tony Tarasco doubled with one out. Otis Nixon followed with a high bouncer over first baseman Todd Benzinger's head to produce the run.

After Jeff Blauser walked, the In the bottom of the seventh the abandoned Brantley far Dave

Burba. He wasn't the answer. Nixon promptly took third for his 34th hit me right on the rear end."

to the infield grass, Nixnn slid home with the go-ahead run.

"I had to wait to see if the catcher was going in go for the ball," Nixon said. "It was a tough deci-Giants manager. Dusty Baker, sion, but when he went to pick it

"It still hurts," said Burba. "It

Baker then called on lefty Kevin Then Ron Gant hit a line drive Rogers to face left-handed-hitting off Burba's backside. As Burba Fred McGriff. No huck. McGriff looked skyward for a ball that fell singled sharply past Rogers's ear, singled sharply past Rogers's ear, scoring Blauser. That was the extent of the damage, but it was

> In other games, The Associated Press reported:

Dodgers 8, Pirates 0: Pedro Astacio shut out the Pirates on three the NL Rookie Pat Rapp gave up hits in 71/2 innings.

hits for eight innings, and Los Angeles won in Pittsburgh.

Astacio struck out eight and walked one. In two starts against the Pirates, he has pitched 15 scoreless innings and allowed just eight hits. Astacio helped himself with two hits and a sacrifice.

Martins 8, Padres 2: Chuck Carr got four bits and stole three bases. leading Florida over visiting San

Carr's 43 steals are the most in

Mets 8, Cabs 3: Todd Hundley hit his first grand slam and drove in a career-high five runs as New York won in Chicago.

Hundley's 10th homer of the season and first slam in 831 at-bats came in the third inning off Jose Guzman. He added an RBI single

Rookie Bobby Jones allowed six

New York Gets a Lift From Owen

The Associated Press Jimmy Key has come through all season when New York has needed a big game from their free-agent is left-hander. Spike Owen, another expensive offsenson signee, hasn't and as many chances to help the

They both came up big Thursday night as the Yankees beat the Chicago White Sox, 7-1, in New York to snap out of a brief tailspin that saw them drop the farthest out of first place since early August. Key allowed three hits in eight

AL ROUNDUP

innings and Owen, who wasn't even in the lineup until game time, had a two-run double in a big

"I thought it was an important game," Key said. "I didn't think it was crucial. There's a difference. We just need to win games. We los two games at home and we had to?

get this thing going again."
The Yankees, who had lost four of five, including the first two of the Chicago series, now are two games behind Toronto in the AL East, New York opens a threegame series at home with Cleveland Friday night, while the Blue Jays, who were off Thursday, open a three-game series at California.

"I think it was a big game for us as a team." said Don Mattingly, the Yankees' captain, who was ejected in the seventh inning. "You've got to stop streaks early. It sets a positive tone for us going into the Cleveland series.

Owen's name made the lineup card when second baseman Pat Kelly was scratched just before the game began with a slightly sprained hamstring. He entered the game with a .238 average and only 18 RBIs in 95 games.

But in the fourth, with two runs already in and the bases loaded, Owen greeted reliever Chuck Cary

with a double to right-center.
Indians 4, Twins 3: Wayne Kirby had three hits and two RBIs and Carlos Baerga drove in his 100th run of the season as Cleveland won in Minneapolis. Kenny Lofton and Kirby started the eighth with doubles to snap a 2-2 tie and Baerga followed with a run-scoring single: off Kevin Tapani.

Mariners 8, Brewers 1: In Seattle, Chris Bosio beat Milwaukee, his former team, for the first time, allowing five hits over seven innings. Bret Boone and Greg Litton hit two-run homers and Jay Buhner added twn doubles and two RBIs as Seattle climbed above .500 for the first time since July 15.

DILINES

, age

Orioles 4, Augels 3: Mike Dever-eaux snapped a 2-for-40 slump with a two-run homer in the first as Baltimore won its fourth straight nn the road. The Orioles added two runs in the third on an error by California's Eduardo Perez and an RB1 single by Chris Hoiles. Tim Salmon had three hits and drove in all of California's runs. He became. the 19th rookie in major league history to hit 30 homers as his two-

When Bears Take On Giants, Which New Coach Will Learn Quicker?

GIANTS (6-10) at BEARS (5-11): KEY STAT: Giants' Phil Simms is 84-59 as a starter; Bears in last 10 seasons are 29-10 in September games.

COMMENT: Two new head coaches with new staffs match wits. For the Giants' Dan Reeves and the Bears' Dave Wannstedt, the question is which team will exhibit a quicker grasp of their new schemes and will be able to implement them? Oddsmakers favor the Bears by 1.

BRONCOS (8-8) at JETS (4-12): KEY STAT: Broncos are 20-12-1 on opening day, best in the AFC; Jets in 1992 tied for third in takeaways but finished 24th in giveaways. COMMENT: Broncos' coach Wade Phillips

deout and the sets. Bruce Coslet coaches in his 49th game for New York. He has lost 30 of them. Coslet wants a good start, especially with the bushel of free agent acquisitions the Jets made. Jess by 1.

BENGALS (5-11) at BROWNS (7-9): KEY STAT: Bengals in '92 ranked 26th in passing offense and 28th in third-down conversions allowed (45.8 percent); Browns were 20th in scoring. COMMENT: Cincinnati last season won at Seattle and then beat the Raiders in overtime for a quick start before fading miserably, suffering through twn five-game losing streaks and finishing 5-11. Dave Shula is 34 and the youngest head coach in the league. His team is young, too. That likely will result in mistakes. Browns by 8.

DOLPHINS (11-5) at COLTS (9-7): KEY STAT: Dolphins Dan Marino is 15-5 vs. Indianapolis with 34 touchdown passes and 10 interceptions; Colts' Ted Marchibroda for the second time in his career led franchise to an eight-game winning improvement from previous season.

COMMENT: Indianapolis last season won at Miami by 31-20 and then Miami turned the tables, winning at the Colts by 28-0. Jack Trudean gets the start at quarterback for the Colts and he is fluid, mobile and capable. Miami has four new principal players at offensive skill positions: backs Terry Kirby and Keith Byars and receivers Irving

Frysr and Mark Ingram. Dolphins by 61/2.
PATRIOTS (2-14) at BILLS (11-5): KEY 1987; Bills have won five straight openers.

COMMENT: Here come the Bills shooting for a fourth straight AFC crown and fourth straight trip to the Super Bowl. Buffaln will enjoy solid support in Rich Stadium, where it has led the league in attendance for six consecutive seasons. Bill Par-cells says hello again to the NFL and quarterback Drew Bledsloe makes his debut. Bills by 14. FALCONS (6-10) at LIONS (5-11): KEY STAT: Falcons' Chris Miller is only NFC quarter-

back to pass for 15 or more touchdowns in each of last four seasons: Lions' Barry Sanders has NFL-

best 5,674 rushing yards in last four seasons.
COMMENT: The Falcons can look at the Lions secondary and see the end zone not far behind. dre Rison, Michael Haynes & Co. won't be easy. The problem for the Falcons has been their defense. Detroit has won four straight over Atlanta.

RAMS (6-10) at PACKERS (9-7): KEY STAT: Rams last season improved from 27th to 15th in rushing offense; Packers' Reggie White is the only player in NFL history with more sacks (124) than

games played (121).

COMMENT: Green Bay got the top free agent prize in Reggie White and displays its purchase vs.

NFL MATCHUPS

the Rams. White was ordinary in the preseason but figures to create havoc in this opener. The Rams are too thin on defense. Packers by 7.

CARDINALS (4-12) at EAGLES (11-5): KEY STAT: Cardinals in '92 were 1-7 in road games; Eagles were 8-0 at home, second in sacks made but 26th in sacks allowed.

COMMENT: The visiting team in this series has won five of the last six meetings but Philadelphia beat Phoenix twice last season. Phoenix is still meshing its cluster of new stars and the Eagles are still reeling over the loss of Reggie White. Eagles

Detroit looks shaky back there and covering Anpass defense. COMMENT: Steve DeBerg or Craig Erickson will start at quarterback for Tampa Bay but nei-ther will receive the attention of Joe Montana, who makes his first Chiefs and AFC start. The Chiefs have a new, star-studded quarterback, a new, quick-paced offense and a rugged defense led by linebacker Derrick Thomas. Chiefs by 7.

49ERS (14-2) at STEELERS (11-5): KEY STAT: 49ers are only NFL team with 10 or more wins in each of last 10 seasons; Steelers in '92 won first divisional crown since 1984.

COMMENT: Two franchises with four Super game. Pittsburgh will make sure of it. Steve problems remain. Saints by 3. action. 49ers by 61/2. SEAHAWKS (2-14) at CHARGERS (11-5):

the road. Chargers tied for second in rushing cord (.644).

defense last season.

COMMENT: Dallas won at home over Washington by 23-10 in last season's Monday night opener and never looked back, racing to a 13-3 record and the Super Bowl title. Richie Petitbon is Mirer. San Diego is not the place to be for a young

CHIEFS (10-6) at BUCCANEERS (5-11): KEY
STAT: Chiefs led league last season with plus 18
urnover differential; Buccaneers were 28th in
pro bowler, is team's all-time receptions leader with 439; Raiders are 53-28-1 vs. NFC.

Vikings start and his last pro start was last November vs. the Raiders when Philadelphia won and McMahon passed for 157 yards with one touchdown and one interception. Vikings by 31/2. OILERS (10-6) at SAINTS (12-4): KEY

COMMENT: Jim McMahon makes his first

STAT: Oilers led the league in pass offense, averaging 251.8 yards per game; Saints led the league in pass defense, allowing 154.4 yards per game. COMMENT: Under new defensive coordinator

Buddy Ryan, the Oilers meet an attacking defense that swarms to the ball, Problem for New Orleans Bowl trophies tangle in what will be a physical may be that many of the same old offensive COWBOYS (13-3) at REDSKINS (9-7): KEY

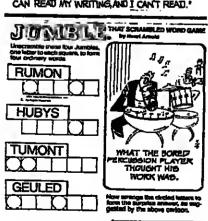
STAT: Cowboys open vs. Washington for fifth time with four straight wins in tact; Redskins since KEY STAT: Seahawks play first of nine games on 1970 NFL merger have NFC-best 221-122-1 re-

in his first season as Washington head coach and is quarterback seeking his place in the NFL Char-still implementing his system. Fortunately for Washington, Emmitt Smith likely will not play. Redskins by 11/2.

These matchups were written by Thomas George of The New York Times. Odds were provided by

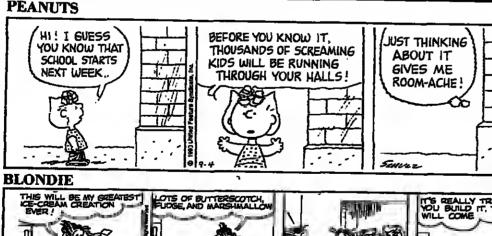


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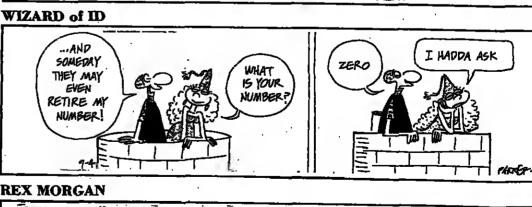




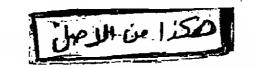












Becker Plods On, Edberg Bows Out

New York Tunes Service

EW YORK — They really stuck it to Boris here at the Open. It was grubby and shortsighted to dole out the first-round matches over three days and nights, to justify the separate-admission night matches.

This greediness forced Becker to wait until Wednesday night for his first scheduled match. Naturally, the gloomy crown prince was rained out. It was inevitable. He could see it

Point

coming and so could everybody else. Becker was then facing seveo

phatches in 11 days, enough to make a man think of leaving on the midnight plane to Frankfurt. Then for some strange reason, they stuck Becker and Andrei Cherkasov in the third match Thursday afternoon. Not the first match. Not the second match. The third. With the weather rolling in from the west, murky dark clouds and thick humidity.

Becker and Cherkasov finally got on the court at 3:17 P.M., and Cherkasov was up by two sets to one when the drizzle arrived, delaying the Boomer's match even more.

Then the Open officials pulled a swifty, calling off the day activities at 7:08 P.M. and informing the day customers to get the heck out of there, in a bit more polite language: "Today's day session is now concluded." And the match resumed for the night people, who saw Becker salvage the match with a score of 3-6, 6-7 (8-10), 7-5, 6-4, 6-4. "Thank God I am still in the tournament," he commented

Weather is part of the plot in outdoor tennis, and nobody would have it any differently. But to make a fourth-seeded player like Becker face such an uphill battle is not fair.

It is understandable that tournament officials would like to space out the favorites, but six sessions is ridiculous. There are not that many stars,

and they are disappearing fast.

While Becker suffered through his prolonged first-round match, six f seeded players had already headed for the exit gates, five of them in the Virst round. And when they leave Flushing Meadows, they leave fast. And they don't look head. they don't look back.

Stefan Edberg left Wednesday, but he left graciously. He always leaves graciously. The new baby is back in London. No midnight diaper changes for Stefan Edberg. No crying at 3:00 A.M. No excuses. There are never any excuses for Stefan Edberg.

When he loses in the Wimbledon final or the second round of the Open, so the true time defending the manner of the North Manney. 7.4

as the two-time defending champion did to Karel Novacek Thursday, 7-6 (7-3), 6-4, 4-6, 6-4, it is always the same: "I had my chances." He always thinks he will come back, and when he does not, he is always mildly

E DBERG MADE IT into the second round, which isn't all that impressive for the man who won the last two times here, conquering the multiple beasts of heat and humidity and noise and smells and gridlock, human and vehicular. He won it twice, and now he is gone. Has anything changed? His wife, Annette, gave birth to Emily Edberg on July 14, perfectly timed between his Wimbledon semifinal and his

Adeparture for the Open. He was characteristically gracious at the Open.

YDid the hard-baked courts make it easier for him to be blown out? No. not really. He had his chances. It would do oo good to search for reasons why Edberg became only the third defending champion to lose by the second round since the old Nationals became the professional Open in 1968. Mats Wilander went down to Pete Sampras in 1989 and Ilie Nastase went down to Andrew

Pattison in 1973. The weather? No problem, "I mean, it was great tennis conditions today," Edberg said. "It wasn't too hot and not too much wind. It was just

But that's not an excuse, and Edberg knew the weather had been much worse in the first round. Fifth-seeded Sergi Bruguera, well, you could see him checking out the evening flights to Spain once he was a set and a break down in the blazing sum. Ivan Lendl felt a twinge and you could see him figuring, this is outs.

Andre Agassi? He got befuddled in his first-round match, and a befuddled Andre doesn't have a chance. They are going down all over the place, these seeded players, and now there are Courier and Sampras, the big guns of the Wimbledoo final.

The racquets are so powerful these days that a clay player like Bruguera doesn't deserve to be seeded fifth. Everybody can hit. You can't have a bad day. You can't afford to have your timing be off, the way it was for Edberg on Thursday. Those things are inevitable. But making a Boris Becker hang around for his first match is avoidable. Just don't try to squeeze six admissions out of the first round.



Jim Courier, the top seed, smashed past No. 315 Michael Joyce on Friday and into the third round.

Tapie to Quit if UEFA Bans Club

PARIS - Bernard Tapie has threatened to resign as president of Olympique Marseille if the soccer club is not allowed to defend its European Champi-

ons' Cup title because of alleged match-fixing. "If you ban Marseille from Europe, you kill the club," Tapic said in interview published Friday in the French daily Libération. "In that case, I'm out. I doo't have the staff and money to live without the

European Cup."

"It would be better to punish Marseille oext season, if misconduct is proved, rather than burying us now and finding out that we were innocent,"

The executive committee of UEFA, European soccer's governing body, is to meet in Zurich on Monday to decide whether the French champions can defend the cup this season.

UEFA is awaiting a report from a hearing to be conducted Saturday by the French league's disciplinary committee.

A Marseille player, Jean-Jacques Eydelie, and the club's former manager, Jean-Pierre Bernès, allegedly attempted to fix a league match against Valenciennes on May 20. Eydelie said that he did so, but Bernes has denied the charge.

Marseille won the match, 1-0. A week later, the clob beat AC Milan to capture the Champions Cup. Marseille also won the French championship for the fifth straight year.

On Friday, the French league's president, Noël Le Graet, said that a Sept. 23 deadline set by soccer's world governing body to make a decision in the case would be met. He said the league wanted to issue a comprehensive judgment in the case, penalizing guilty players and executives si-

"French soccer will ask UEFA to let us make the first decisions in this affair, under the FIFA deadline," the French body said in a statement after a (Reuters, AFP, AP) meeting Friday.

Becker and Courier Win, Graf Gains by Default

NEW YORK - The second round was fast work for Boris

After taking almost 24 hours and of mistakes, all the time forcing ive sets to win his first-round Joyce to play Courier's game. five sets to win his first-round match Thursday night, Becker re-turned to a broiling stadium court at the U.S. Open on Friday and quickly brushed by Jakob Hlasek,

With the courtside temperature at 108 degrees Fahrenheit (42 centigrade) and both players wearing white baseball caps to protect them from the sun, Becker needed just 1 hour, 46 minutes to reach the third round of the tournament that he won in 1989

Becker broke Hlasek in the first game of the match and never let up.
He served well, charged the net and
research Hlasek into mistakes.

3, 6-2.

"I am mentally in the groove,"
Courier said. "If I am mentally pressured Hlasek into mistakes. Jim Courier and Steffi Graf, seeded atop the singles draws, also to follow." eased into their next rounds Friday, Graf with the easiest victory of

It wasn't so easy for Goran Ivanisevic. No. 11 in the men's draw and given a shot at winning the upset-depleted tournament, Ivanisevic was upset himself by big-serving Carlos Costa, 6-3, 7-6 (7-4), 7-6 (7-5).

tiebreak, I don't know what I can win any more," Ivanisevic said. Also registering an upset on a "I sur brutally hot and humid day was expand." American Lindsay Davenport, who

beat 15th-seeded Amanda Coetzer, the next round when he goes champion who can clinch the men's the fourth round, and is still a No. I ranking for the season with a threat to anybody on the tour.

U.S. Opeo title, heat Miebael "I am just going to he as aggres-Joyce, 6-1, 6-2, 6-2, to open the sive as I can and try to take control stadium court on a muggy summer of the points," Washington said. "I day and advance to the third think that is going to be the differ-Graf didn't even have to set foot

on court. She became the first woman in the fourth round when Judith Wiesner, her scheduled op-ponent, defaulted just before the match with an upper respiratory infection. It was the first walkover of the

tournament, although several other olavers were forced to retire during their matches because of the flo. Solidly in the women's No. 1 position with Monica Seles still sidelined, Graf said she was back to the point she reached in 1988, when she swept the Grand Slam and won

an Olympic gold medal.

"For a while, 1 was less unbeatable," she said, Mental, oot physical, factors had affected her play for a few seasons, she said, but Angeles. It was nothing flashy, just of the points. I am going to try to big groundstrokes and a minumum counteract that."

Courier lost just 12 games in his first two rounds and has been immune from the upsets, illness, injury and scheduling distractions that have plagued the Open's first week.

"That's the U.S. Open," he said.
"I'm pumped up to play. Once I'm on the court, this is my favorite time of year. It's our country's

MaliVai Washington, seeded No. 14 a year ago but unseeded this time, who beat Doug Flach, 7-5, 6-

there, then the physical part seems Some things about the Open aren't so bad. Courier was beck-

oned to the USTA office after the match to meet actress Sophia Loren, who watched him play and asked to be introduced. They chatted for a few minutes, then exchanged kisses on both cheeks. "I saw Barbra and Andre," Cou-

rier quipped, recalling the head-Costa won the last seven points lines about Streisand and Agassi.
of the tiebreak and jumped for joy
as the final shot fell.
And now he figured he'd see headlines about him and Sophia, though lines about him and Sophia, though "If I can't win up 5-0 in the he has a French girlfriend. "Italian to go with the French?"

someone asked. "I suppose," he said. "Got to

Courier could have less fun in 1, 6-2. against Washington, who was seed-Courier, the Australian Open ed a year ago when he went out in

Courier played his typical brand of tennis against Joyce, from Los rier plays. He wants to be in control

Graf's next opponent is No. 13 Mary Pierce, who beat Brenda Schultz, 7-5, 7-6 (7-3).

Also winning were No. 10 Richard Krajicek, who beat Alberto Berasategul, 6-1, 6-2, 6-4, and Jana Novotna, the No. 8 woman, who beat Laura Golarsa, 6-4, 6-3. No-voma will next play Kimiko Date, who upset No. 9 Anke Huber, 6-3, 6-2.

Courier's next opponent will be Seles Drops to No. 4 Seles, sidelined since being stabbed in the back at a tournament in Hamburg on April 30, will fall to fourth in the world when the next computer rankings are re-leased. The Associated Press re-

ported from New York. Seles will lose the computer points she received for winning the U.S. Open last year, while Arantza Sanchez Vicario and Martina Navratilova, both in the third round of this year's final Grand Slam touroameot, will pass the former world's top player.

Regardless of who wins the current U.S. Open, Graf will remain No. 1 in the world on the Virginia

Slims computer. The women's tour chose not to

freeze Seles's ranking, and Seles is bitter about the decision.

"I lost the ranking without playing a match," she said last week. "It was very hard and the main reason is because the persoo who did this to me, stabbed me for that reason and pretty much got his wish in

Seles's attacker, an avid Graf fan, wanted the German star to return to No. 1. Graf regained the top spot when she won Wimbledon

Other U.S. Open Results

Men's Singles, First Rosed
Boris Bacter (4), Germony, def. Andrei
Cherkosov, Russia, 3-6, 6-7 (10-8), 7-5, 6-4, 6-4,
Second Round
Morc Goelher, Germony, det. Joinne
Yasso, Peru, 4-6, 6-1, 7-4 (6-6); Bernd Korbocher, Germony, det., Nickios Keitt, Sweden,
6-1, 6-8, 6-2; Woyne Ferrairo, S. Africa, def.
Mortin Dorum, Czech Ropublic, 6-4, 6-5, 7-4,
6-63; Chuck Adons, United Stotes, Cotif., def. 6-3; Chuck Adoms, United Stotes, Cottl., del., Jones Sversson, Sweden, 1-4, 6-0, 6-2, 6-1; Thomas Encylist, Sweden, del., Lon Bole, S.

Thomas Encylsi, Sweden, def. Lan Bale, S. Africa, 6-2, 4-6, 6-3, 6-3. Korel Novacek, Czech Republic, def. Stelan, Edberg (3), Sweden, 7-6 (7-3), 6-4, 4-6, 6-4; Patrick McEnroe, United States, def. Paul Hourhuls, Netherianas, 6-4, 6-3, 6-7 (7-5), 6-3; Byran Black, Zimbatwe, def. Staco Matsuoka, Japon, 3-4, 6-2, 7-5, 7-6 (7-5); Henrik Holm, Sweden, def., Jan Stemerink, Netherlands, 3-4, 6-3, 6-4, 6-4; Brud Gilbert, United States, def. Dimitri Paliplatov, Russid, 6-3, 2-4, 6-2, 6-4, Michael Chang (7), United States, def. Nicalas Pereira, Venezueld, 6-1, 6-2, 4-6, 6-3; Jim

Courier (1), United States, def. Michael Joyce, United States, 6-1, 6-2, 6-2: Richard Kralicek (10), Netherlands, def. Alberto Bercsadeput, Solin, 6-1, 6-2, 6-4; Magnus Lorsson, Sweden, def. Nell Borwick, Australia, 6-4, 6-4, 6-4; Moli-Val Washington, United States, def. Data Flach, United States, 7-5, 6-2, 6-2. Wanner's Singles, Second Round Amount States, 1-4, 19-10, def.

Wanner's Slosier, Second Round Arontxa Sonchez Vicario (2), Spoin, del, Linda Horver-Wild, United Stotes, 6-2, 6-2; Helena Sukova (12), Czech Ropublic, del, Na-tolia Medvedeva, Ukraine, 6-1, 6-4; Jenny Byrne, Australia, del, Kristine Rodford, Aus-trolia, 3-4, 6-1, 6-4; Maudolana Mateeva (10), Bulgaro, del, Elina Reinoch, S, Africa, 3-4, 7-5, 7-4 (7-5),

7-4 (7-5).
Zina Garrison Jackson (16), United States def. Tomi Whittinger, United States, 6-2, 6-3) Adortina Navorollova (3), United States, def. Sobine Accelmans, Belgiam, 6-1, 6-3, Third Round
Steffi Graf (1), Germany, def. Judith Weisner, Austra, defoult); Jona Novotna (8), Czech, def. Loura Gotorsa, Ifuly, 6-3, 6-4.

SIDELINES

Lanner Takes Lead in European Golf f, CRANS, Switzerland (AP) — Mats Lanner of Sweden took a two-stroke lead ahead of Philip Walton of Ireland on Friday in the second

round of the European Masters golf tournament.

Lamer, co-leader with Nick Faldo and Walton after the first round, fired a 6-under-par 66 for a 13-under-par 131 total. Walton is second at 133. Faldo, an Englishman, who is ranked No. 1 in the world, shot a 2-under-par 70 and fell four strokes into a third-place tie with four others.

Five Take Share IAAF's Gold Bars

BRUSSELS (Reuters) — Five of the world's clite track and field athletes will share \$260,000 in gold bars after winning their events Friday at the Brussels grand prix, completing sweeps of their events in the IAAF's "Golden Four" meetings.

The reward of 20 one-kilogram gold bars will be divided among Sonia O'Sullivan of Ireland, Noureddine Morceli of Algeria, Michael Johnson of the United States, Maria Mutola of Mozambique and Trine Hattestad of Norway. For winning consecutive viscories in Oslo, Zurich, Berlin and Brussels, each will receive \$52,000 in gold. Another contender, Jamaica's world 200-meter champion, Merlene Ottey, dropped out with an injury.

O'Sullivan beat the European champion, Yvonne Murray, in the women's 3,000 meters. Morceli failed in his second attempt in eight days to better the mile record, but his 3 minutes 47.30 seconds were the fifth best recorded. Johnson powered away to win the men's 400 meters in 44.45 seconds, Hattestad won the women's javelin with 67.92 meters and Mutola emerged from the pack to win the women's 800 in 1:57.90.

UEFA Cuts Georgia Club From Cup

ZURICH (AP) — The Georgian soccer club Dinamo Tbilisi on Friday was thrown out of the European Champions' Cup and suspended for an additional European season for allegedly trying to bribe match officials before an Aug. 18 cup game.

UEFA, European soccer's governing body, said Dinamo arranged for a UHFA, European soccer's governing body, said Dinamo arranged for a total of \$5,000 to he paid through an intermediary to the referee, the linesmen and a fourth match official before a first-leg preliminary round game against Linfield FC of Northern Ireland in Tbilisi. Dinamo, the first Georgian team to play in the European Cup, has until midnight Monday to appeal. Tbilisi beat Linfield to advance to the first round, where it was scheduled to meet FC Copenhagen.

Falcons' Rison Charged With Assault

be: TLANTA (AP) — A judge postponed on Friday the aggravated seas: It case against the Atlanta Falcons wide receiver Andre Rison. too ison appeared in Atlanta Municipal Court with his friend, the rap abour Lisa Lopes, with whom he was fighting when both were arrested. The Thursday in a parking lot. The judge continued Rison's case until is the 3 and gave Lopes a three-day suspended sentence after she pleaded nary test to obstruction of a police officer. She also was fined \$168, 1980s; police said Rison, a National Football League All-Pro wide ic recer, assaulted Lopes, after the two left an Atlanta night club. He also too botted of firing a gun after two men tried to help Lopes.

top boted of firing a gun after two men tried to help Lopes.

pricey b the Record

Mr. mer middleweight boxing champion Marvin Hagier, 39, was fined \$337 and had his license suspended for 90 days after being found

fined \$337 and had his license suspended for 90 days after being found guilty of drunken driving in Conway, New Hampshire. (AP)

James (Buster) Douglas, a former world heavyweight boxing champion, said Thursday that he would pay \$293,163, the sum a jury said he owes Columbus, Ohio, in taxes from his 1990 title fight against Evander Holyfield. Douglas received \$24.1 million from the fight, which he lost to

Holyfield in three rounds.

(AP)

Holyfield in three rounds.

The Cuban high jamper Javier Sotomayor was awarded the Prince of Asturias prize Friday, the most prestigious award bestowed by Spain for excellence jo various fields. Sotomayor, the world and Olympic champiercellence in various fields. Sotomayor, the world and Olympic champiercellence in various fields. Sotomayor, the world and Olympic champiercellence in Various the Chicago Bulls star is to meet this most thing. on, proke his own the Chicago Buils star, is to meet this month with Michael Jordan, the Chicago Buils star, is to meet this month with National Basketball Association officials concerning his gambling the National Basketball Association officials National passecual resolution officials of New York Daily News reported Thursday.

SCOREBOARD

Major League Standings AMERICAN LEAGUE

Thursday's Line Scores

AMERICAN LEAGUE

Chicaya 089 810 990—1 4 9

New York 089 610 990—1 10 9

Belcher, Cery 14), Drohman (7) and Karkovica: Key, Hutton (9) and Stanley, W-Key, 16-4, 1—Belcher, 3-3, HR—Chicago, Karkovice (18), Clavelond 911 800 800—8 9 8

Grimsley, Kramer (7), Pjunk, 181, DiPoto (9) and S. Alomer: Tapani, Villis 19) and Horner, W-Kramer, 7-3, L—Toponi, 7-14, 5v—DiPoto (5), HR—Minoesoto, Hole 12), Milhanopice 90 800 19—1 5 0

Seattle 24 29 800—1 15 0

Higuero, Henry 14), Ignosiok (7), Moldonodo 18) and Nilsson, Lampida (7); Boale, Piolandero (2), King (9) and Volle, W—Boalo, 8-7, L—Higuero, 9-2, HRs—Milwaudes, John (14), Seotile, Boone (7), Litten 13).

Seatile, Boone (9), Litton (3).

Buttimore 292 298 989 46 13 9
Celiteralu 190 982 889 3 7 1
Rhodes, Williamson (4), Poale (9) and Holles; Finley and Turner. W—Rhodes, 42, L—Fistey, 11-4, 59—Poale (2), NR2—Baltimore, Devereuux (12), California, Salmon (30),

Reider, and Jeffrey Hammonds, autileider from 15-day disabled list. BOSTON—Called up Scott Taylor, pitcher CHICAGO WHITE SOX-Traded Darm Pull.

CHICAGO WHITE SUA-TRUDG MARKET IN THE SHICHER, TO PHILODEIPH TO PROPRIED TO BE CHICAGO OF THE PROPRIED OF THE SHICHER, ON THE HATT, OUTSTANDER, DESCRIPTION, OF THE SHICKER, OF THE SHICKER, OUTSTANDER, OUTSTANDE

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MERCEDES

Math Vanderbeek und Poul Butcher, Resbote
ers; John Roy and Kino Victers, offensive
intermen; Edde Miller, wide receiver; and
Mille Jones, fight end, Reculled Tony Wolker,
Inebacter; Eddle Miller, wide receiver; and
Mille Jones, fight end, Reculled Tony Wolker,
Inebacter; Eddle Miller, wide receiver, and
Mille Jones, fight end, from workers, Signed
Poul Butcher, linebacter, Signed John Roy,
offensive Breman; Ernest Collomon, wide reselver; Morquise Thomas, Inebacter; Kipp
Victers, offensive Internati Sented, Kolp
Victers, offensive Internati Sented,
NEW ENGLAND—Cut Ketth McCarits, tinebacker-defensive end; Eugene Lockhart and
Eddle Suther, Inebacters; Gener Williams,
defersaive linemen; Tim Gordon, safety; Reppile Dviohi, Hoft end, Put Mille Farr, wide
receiver, an wolved-injured list, Claimed Dovid While, Imbacker, and Dorryl Winter, cornerbact, off wolvers from Butfole; Terry
Roy, sofety, from Alkarits; Harton Bernett,
Internation From Dollos, and Alike Arritur, cenInternation From Dollos, and Alike Arritur, cenMille Milliams, ottersive Hemmon; Eric Blount,
minch milliams, ottersive Hemmon; Eric Blount,
milliams, ottersive Hemmon; Eric Blount,
minch millia per bright in sold for make hear, who necesser, and was self-insured list. Coulmed Devid White, Imebocker, and Derryl Wren, cornerbock, off waters from Buffole, Terry Ray, solely, from Alianto; Harlon Barnett, sofely, from Cleveland; Todd. Jones. offensive Imenau, from Dollos, and Alike Arthur, cer-

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League. Activated Rich Batchelor, pitcher. Activated Poul Kilsus, pitcher, from 60-day assoled Nst.

SAN FRANCISCO—Awarded Greg Brunningt, pitcher, in Altimesole on wolver claim to complete 3 im Deatholes indee, Activated John Woshington Complete 3 im Deatholes indee, Activated John Poul, pitcher, in Altimesole on wolver claim to complete 3 im Deatholes indee, Activated John Poul, pitcher, in Altimesole on wolver claim to complete 3 im Deatholes indee, Activated John Poul, pitcher, in Altimesole on wolver claim to complete 3 im Deatholes indee, Activated John Poul, poul, pitcher, in Altimesole on wolver claim to complete 3 im Deatholes indeed Annoy Margan, wide receiver, from Margan, and General M

priver; and Michael William back to developmental square

back, off waivers from Philiadelphia. Re-signed Robert Claibarne, wide receiver:

WASHINGTON—Cut Todd Bowles, safety: John Bruntley, linebacker: Poul Slever, ot-tensive quard; and Rabert Green, running back, Re-signed Kelly Goodburn, pursier: Guy Bingham, center; Eric Williams and Jason Buck, defensive tuckles; Terry Orr, fight and, auct, development blockes; Terry Orr, right and, and Johnny Thomas, cornerback. Signed Gregory Clifton, wide receiver; Ray Rowe, light end; Darryl Marrison, defensive back, is developmental squad. Reached agreements with Guy Earle, tockle, and Tico Duckett, running back, to Join developmental squad.

FOOTBALL Canadian League

W L T PF PA Pts 6 2 0 372 225 12 3 6 0 138 278 6 2 7 0 203 258 4 1 8 0 211 339 2 Western Division 9 0 0 339 222 6 3 0 307 271 6 2 0 276 (7) 6 3 0 247 231 2 0 0 255 2854

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المكذا من الأصل

DAVE BARRY

When the Time Comes

MIAMI — Eventually every-body has to die, except Elvis. egood, you can have a situation You never know when your time will come. One minute you could

rangers at Tahquamenon Falls
State Park in Michigan, where according to news articles sent in by
many alect random according to have a sent in by many alert readers, a building was leveled by a monster blast — audible 14 miles away — that resulted Fortunately nobody was in the building at the time except bats, which was so expensive that it is where the time except bats, which was so expensive that it is where the time except bats, which was so expensive that it is the control of the whose names are being withheld still being paid for, probably in

pending notification of next of kin. part by U. S. taxpayers. But even if you do not set foot in Tanquamenon Falls State Park, mail from the funeral industry, let death can come at any time. In the me stress that your modern bewords of the Old Testament prophet reavement counselor is NOT just. Abner, speaking in the Book of Louginudes, Chapter 9, Verse 4, Sector trained professional who is inter-7: "For whom amongst ye can know ested only in servicing the family of the exact day, nor hour, nor minute, nor GAAAACCCK (thud)."

Yes, the Big Moment could come at any time, which is why you should be thinking NOW about making arrangements for your post-death lifestyle. You want to spare your loved ones the pain and agony of having to make funeral arrangements for you later, at a time when, for example, they might have tickets to the playoffs. You also want to avoid the ssary expense that can occur when the next of kin are forced to make decisions under emotional stress, a good example being what happened to the widow of the late Egyptian King Cheops: UNDERTAKER: And what

kind of a tomb situation were you thinking about, Mrs. Cheops? WIDOW: Oh, I guess a basic UNDERTAKER (arching his cyebrows): A "basic" tomb?

WIDOW: Is there a problem with that? UNDERTAKER: No. I suppose nnt, although with your basic tomb, you can get your bass in there, and of course bat dung

UNDERTAKER: Or, you can get all kinds of rodents with the basic tomb, and even if we really

be as healthy as a horse, and the next you could be killed by exploding bat dung.

This is what nearly happened to Tabanamana Falls

This is what nearly happened to ment at a tomb like seeing a rodent scarry out carrying a piece of a

when a sump pump spark ignited consciousness, she naturally chose methane gas that had been generative top-of-the-line tomb, the "Pyrthe-line top-of-the-line tomb, the property of the top-of-the-line tomb of the top-of-the-lin When Mrs. Cheops regained

the deceased at a very reasonable cost, if necessary ("Well, Mrs. Deegle, if you're looking to save a few dollars, we offer a 'Basic' package that includes this durable, highquality, four-ply 'Hefty' bag with a sturdy twist tie to . . .").

Another thing you definitely

should do prior to dying is make sure you have a proper will. According to the largest U.S. lawyer organization, the American Association of Aforementioned Legal Professionals, the best way to get a will is to copy down the following paragraph

and sign it:

"I, (YOUR NAME), being of sound mind and reasonable body, do heretofore set forth the follow ing (hereinafter 'the mortgagee'), and do thereby attest and affirm thereto etc. blah blah blah there is no need to read this too carefully it's all just standard legal 'boilerplate' blah blah blah and therefore I bequeath and bestow and begive all my money and everything to Dave Barry blah blah blah so I'll

just sign this right now here I go I'm signing it (SIGN HERE)." There! That pesky chore has been taken care of! Now you can forget about this morbid topic and get on with your life, have fun, maybe take a nice trip somewhere. Speaking purely as your friend, I recommend some place with bats.

Knight-Ridder Newspapers

In Royal Game of Chess, Scant Nobility

By David Spanier

ONDON - London's famous red buses are display-Ling advertisements along their side proclaiming: "Kasparov-Short: War begins on Sept. 7." To which chess enthusiasts the world over can only respond: "Let's hope

so." All the lighting, so far, has been off the board. The royal game has been so riven by accusations of bad faith that not one, but two, rival world championships are starting next week. One event is taking place in London and the other is divided between the Netherlands and Oman. Even the term "world championship" is in dispute.

The premier event, which will run at the Savoy Theatre in London until Oct. 30, features the reigning world champion, Garry Kasparov of Russia. At the age of 30 he is recognized as the finest, fiercest and probably most flamboyant champion in the history of chess. His lifetime performance rating exceeds that of Bobby Fischer. No one gives his challenger, Nigel Short of England, 28, the ghost of a chance, and a whiff of panic is coming out of the Short camp. Certainly on the evidence of their previous encounters, he is likely to be wiped out.

That in itself would be no great matter, given that the effervescent Short will have the consolation even as loser of picking up prize money of more than \$1 million. Chess is not, in the main, a well-paid game like golf or tennis.

This match is an exception. And that, at root, is what has

In the good old days, a contender like the Polish-born Johann Zukertort could declare, "When once these gentlemen have consented to meet each other over the board, it must be taken for granted they will behave like gentlemen and leave it at that. At the first world championship match in 1886 the regulations ran to less than a page and a half.

Short, arguing he had the same right as any other man in the marketplace to cut a better deal for himself if be could, claimed the players were not consulted properly about the terms of the match, which the international chess federation, known as FIDE, had signed with the city of Manchester. On vacation in Greece, be telephoned Kasparov in Spain and proposed that they dump the Mancheste and promote the event themselves. Kasparov, who had his own score to settle with FIDE's president, Florencio Campomanes, jumped at the chance. As entrepreneurs, they moved fast. The Times of London, eager to tie its name to the match as sponsor, offered £1.7 million (\$2.55) million) in prize money and began publishing fulsome editorials in praise of private enterprise.

Only one snag, which the enthusiastic duo - previously at each other's throats, now financial partners - had overlooked. The rest of the chess world reacted very badly. To date, not a single active grand master has come out in support of Kasparov and Short's proposed new Professional Chess Association. Instead, most players have been critical of what they see as an act of base disloyalty to the organization that had, whatever its shortcomings, created the conditions that enabled Short to emerge as challenger.

"It's as if a research chemist had spent years in a drug company developing a new product, and then ran off and sold it for his own benefit," opined a leading British grand

European professionals were tempted by high prize mon-

Asla



Squaring off in two rival "world championships": Top, Kasparov against Short; below Karpov vs. Timman.

be limited to two. Kasparov for all his star quality has a somewhat dictatorial style in personal relations: his conduct has provoked widespread anxiety that if, as world champion, the title became his personal fief, be could do as he pleases, regardless of other grand masters' interests.

Reaction from FIDE was sharp and swift. It decided to stage its own "official" world championship, between the runners-up in the previous qualifying tournament. Accordingly, Anatoli Karpov, the Russian former world champion, will play Jan Timman of the Netherlands in a match that opens in the Netherlands next week and moves to Oman for its second half. Sponsorship is said to be on the order of 4 million Swiss frames (\$2.7 million), marsinally higher than million Swiss francs (\$2.7 million), marginally higher than the prize for the London match. Given that Short despatched Karpov and Timman, both of whom have turned 40, one after the other in the run-up to the London final, the event in purely chess terms is meaningless.

But that is a mere detail; The winner will be declared FIDE world champion.

In a further act of revenge (which chess players generally do not support) FIDE has cut both Kasparov and Short out of its ratings list.

All this leaves international chess with a nasty taste. ey to play in a PCA-sponsored tournament later this year.
But they, too, studiously declined to make any commitment to join the organization. Membership at present appears to

players, they may be endowed with talent, amounting sometimes to genius; as ordinary men and women, grand masters are no smarter than the rest of us and are certainly very bad at managing their own game. They thrive on in-fighting. Isn't chess, after all, the game of war?

Throughout chess history, players of world champion-ship caliber have frequently displayed a paranoic streak, indulging in tantrums, hallucinations and folie des grandeurs. At the end of his life, Wilhelm Steinitz belie could challenge God to a game of chess and give Him odds

When the London championship is over and Kasparov, as expected, emerges victorious, he will have a chance to survey the field and ponder the fall of international chess. Beneath his combanive style he is an engagingly serious man, who believes deeply in the educational role of chess, as well as calculations it is placetime at a care. His whole as well as celebrating its pleasures as a game. His whole life is committed to chess and to spreading its popularity around the world.

As the most charismatic figure in the game, and far and away its greatest player, he more than any other individual has it in his power to heal the breach, unify chess and work out a program for the future of the world championship.

That, surely, is the real challenge he faces.

David Spanier is a chess writer based in London.

PEOPLE

Grunge Gets Respect

At MTV Awards Show Grunge rock hauled off the tro-phies at MTV Video Music Awards, a three-hour maelstrom of irreverence, sexual innuendo -- and even music. Pearl Jam won four awards for "Jeremy," a video about teen suicide. "I guess you gotta say thanks," said lead singer Eddie Veder. "No, the real thing is, if it weren't for music I think I would have shot myself in the front of the classroom. It really is what kept me alive" Other purveyors of grunge rock honored at the 10th annual awards included Nirvana's "In Bloom" for the alternative video trophy, and Stone Temple Pilots, which took the top new artist honor. Best male video award went to Lenny Kravitz for "Are You Gonna Go My Way" and the female video trophy was awarded to k. d. lang for "Constant Craving."

With the Eiffel Tower as his backdrop, superstar tenor Luciano Pa-varotti sang for thousands of fans all for a good cause. Before the con-cert, Pavarotti said he was lending his support to the World Foundation for AIDS Research and Prevention, founded in January by Dr. Luc Montagnier and Federico Mayor, director general of Unesco. By sun-down, crowds had gathered on the Champs de Mars for the concert, which was broadcast live on an oversized screen at no charge, though 14,000 spectators paid to sit under an enormous canopy.

More than five years ago, Louisi Brutnike, an American, and Vladi-mir Fissenko of France left the southern tip of South America on horseback. They just finished their journey, reaching the arctic coast of Alaska — 19,000 miles (30,500 kilometers) later.

An Austrian foundation paid more than \$500,000 for 34 letters and receipts from the composer Franz Joseph Hayda to his publisher. The letters were handed over to the Hayda Foundation on Friday at Sotheby's in London, which negotiated the private sale for an unidenti-

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WEATHER

THIS WEEKEND AT THE BEACH

Europe						Forecast for Sunday through Tuesday, as provided by Accu-We	ather.
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letarbul Las Polmes Liston London Madrid	25/79 27/80 23/73 18/64 27/80	16/51 23/73 17/62 9/49 16/61	Pe o pe pe	12/53 28/82 28/79 23/73 19/56 27/80	6/43 to 17/62 8 22/71 1 17/62 ps 11/52 8	North America Europe Asia Dry weather will cover much of the Western United States have suriny, pleasant linger across n suriny into early next weether Sunday. A storm the next few dishowers will inger along the from the Aliantic Cocan will a gusty wind.	ays alon
Milleri Moscow Munich Micel Oxfo	20/64 16/61 13/55 23/73 12/53	12/53 11/52 8/46 13/55	pg sh	22/71 17/62 14/57 24/78 15/59	13/55 pg 10/50 t 7/44 g 15/58 a 7/44 pg	East Coast from Boston to Bring rain and wind to the sunny, pleas then dry, pleasant weather is Chilly, autumotice winds will be very warm likely early next week. The provail from Scandinavia to Monday.	eant we ek. Pekk Sunda A co
Palmy Parks Pragon Baylejarik	26/79 18/64 13/55 13/65	21/70 9/48 9/48 9/48	2888	28/79 19/88 15/50 13/55	21/70 a 11/52 pd 7/44 b 8/46 pc	Southeastern states will Poland Sunday. Early next thunderstorm week will turn sunny and later Tuesda week will turn sunny and later Tuesda central China s	ty. Me
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Auckland Sydney	14/57 18/64	0/46 9/40		17/52 19/56		Legend: a-surry, pc-perfy cloudy, o-cloudy, sh-showers, i-fluxdenstorms, i-rain, of-enous-anenow, i-loo, W-Vrsathor. All snaps, forecasts and data provided by Accu-Wosth	w Durries,

Algiers 28/82 22/71 a 27/60 21/70 a Capa Town 19/80 10/80 a 20/80 11/82 a 27/80 21/70 a 27/80 18/84 a 18/84 pc 22/75 1 21/70 8/84 pc 22/75 1 3/84 pc 22/75 a 32/89 19/86 a North America

		SATU	RDAY		-						
Europe and Middle East											
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Asia/Pacific											
Penang Phukat Ball Cebu Palm Beach, Aus Bay of Islands, NZ Shirahama Honokuk	clouds and sun tranderstorms clouds and sun partly surmy pertly surmy clouds and sun showers clouds and sun	31/88 18/64 14/57 25/77	22/71 23/73 22/71 24/75 9/48 8/46 23/73 23/73	29/84 29/84 29/84 29/84 18/64 14/57 27/80 26/79	0-1 0-1 0-1 0-1 1-2 1-2 0-1	W SW SW VAR ESE S NE	10-20 10-20 15-25 15-25 10-15 40-70 40-70 20-35				

		SUNDAY		All forecasts and data provid by Accu-Westler, Inob 198			
Europe and Mid	die East						
Location	Weather	High Temp. C/F	Low Temp. C/F	Water Temp. C/F	Wave Heights (Matres)	Wind Speed (kph).	
Cennes	SURITY	26/79	15/50	23/73	1-2	N	154
Deguville	partly sunny	20/88	13/55	18/64	0-1	SE	10-1
Himin	clouds and sun	24/75	15/59	25/77	0-1	NW	15-2
Melaga	sunny	28/82	21/70	24/75		··E	12-
Cagliari	BUININ	27/80	18/64	24775	0-1	NW	12-2
Faro	Surmy	25/77	16/61	23/73	0-1	WSW	10-
Praeus	clouds and sun	28/82	17/62	26/79	0-1	WNW	15-3
Corfu	Thursderstorma	26/79	16/61	24/75	1.2	WNW	
Brighton	clouds and sun	20/88	11/52	16/61	0-1	ESE	12-1
Osterid	sunny	18/64	12/53	16/61	0-1	NE	12-7
Scheveringer	BURNY	18/64	11/52	18/61	0-1	NE	15-2
Sylt	Burny	17/82 31/86	9/48 17/82	16/61 26/79	0-1	NE.	10-4
izmir Tef Aviv	clouds and sun sunny	28/82	22/71	26/79	1-2 0-1	W	18-3
Caribbean and V	Vest Atlantic						
Barbados	clouds and sun	31/88	24/75	29/84	0-1	E	15-3
Kingston	clouds and sun	31/88	29/73	29/64	0-1	Ē	15-3
St.Thomas	partly surviy	32/89	24/75	28/82	0-1	ENE	15-8
Ham Nort	sunny	24/75	13/55	27/80	0-1	SSW	15-3
Asin/Pacific							
Penang	clouds and sun	31/88	29/73	29/84	0-1	W	10-2
Phuket	clouds and sun	31/88	24/75	29/84	0-1	SW	10-2
Bell	clouds and sun	31/88	23/73	29/84	0-1	SW	15-2
Cebu	clouds and sun	32/89	24/75	29/84	0-1	SW	15-2
Patro Beach, Aug.	partly sunny	19/66	10/50	18/64	0-1	VAF	10-1
Bey of Islands, NZ	clouds and sun	16/6T	11/52	14/57	1-2	SSE	30-6
Shirehema	clouds and sun	27/80	19/66	27/80	1-2	W	20-3
Honolulu	clouds and sun	31/88	24/75	26/79	0-1	NE	20-

"I wonder it the little guy had tun today

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